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Daily Report

Central Eurasia

FBIS-SOV-94-222
Thursday
17 November 1994

Daily Report
Central Eurasia

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Georgia, Abkhazia Fail To Reach Accord in Geneva Talks

LD1611140794 Moscow ITAR-TASS in English 1353 GMT 16 Nov 94

[By ITAR-TASS correspondent Konstantin Pribytkov]

[FBIS Transcribed Text] Geneva November 16 TASS—Georgia and Abkhazia failed to reach agreement at their talks in Geneva on Tuesday [15 November] as both sides decided to stand their ground and make no compromises.

The Georgian delegation insisted that it would continue the talks only if Abkhazia recognised its territorial integrity. However, the latter said that Georgia and Abkhazia had equal rights and therefore Abkhazia could choose its future on its own—to be part of Georgia or exist as a separate state.

In an attempt to resolve the stalemate, the mediators—U.N. special envoy Edouard Brunner and Russian Deputy Foreign Minister Boris Pastukhov—proposed that the sides discuss the problem of refugees.

The return of refugees started in October after a long delay has been very slow so far. Meanwhile, hundreds of thousands of refugees driven out of their homes by war are awaiting return to the Gali district of Abkhazia. Every week the Abkhazian authorities issue dozens of permits to refugees. The mediators may ask Abkhazia to increase their number to several hundreds or even thousands.

The talks will continue on Thursday and, possibly, Friday. The sides are expected to adopt a joint communique. However, the disappointing start inspires little hope for considerable progress and puts at risk a meeting between Georgian leader Eduard Shevardnadze and Abkhazian leader Vladislav Ardzinba scheduled to take place in Geneva in early December with the mediation of the United Nations and Russia. The idea to hold the meeting was proposed by U.N. Secretary-General Butrus Butrus-Ghali during his recent trip to Georgia.

ITAR-TASS Carries Press Review for 17 Nov

LD1711065794 Moscow ITAR-TASS in English 0622 GMT 17 Nov 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow November 17 TASS—The Russian press comments on Wednesday's [16 November] remarks by Interior Minister Viktor Yerin before the State Duma deputies in a report on urgent measures to step up fight against crime and ensure the personal safety of the citizens of Russia.

ROSSIYSKIYE VESTI is of the opinion that "the deputies' reactions to Yerin's report were contradictory. Many regard his speech as a populist one."

As for the voiced proposals to replace the minister, the newspaper points out, "this would bring no particular successes in neutralising crime in the state where legal nihilism has reached its peak. No good laws, no good ministers would overpower crime or move the problem off the dead centre until this becomes the objective of the entire state".

KRASNAYA ZVEZDA believes that "the soil for impartial questions was too fertile for Yerin to feel comfortable in that auditorium".

NEZAVISIMAYA GAZETA remarks that "as time went by, the parliamentarians' wrath with regard to the minister markedly subsided" and he returned of his residence in quite an "upbeat mood".

KOMSOMOLSKAYA PRAVDA wonders "whether defence minister Pavel Grachev will be able to withstand the deputies' onslaught during his expected appearance in the Duma on Thursday".

TRUD expresses hope that "Wednesday's discussion will compel the Duma to consider as soon as possible and pass legislative acts aimed at combating crime".

SOVETSKAYA ROSSIYA runs statistical data, on the strength of which one can judge the scope of crime in the country. Last year, there were 2.8 million registered crimes, with 29,200 of them being willful murders (the highest-ever indicator in Russia's history), whereas in the nine months of this year, there were 1,973,776 crimes and 23,373 willful murders. The number of large steady criminal groups has mounted up to 200,000.

IZVESTIYA refers to Wednesday's meeting between President Boris Yeltsin and writer Alexander Solzhenitsyn as a "summit" while NEZAVISIMAYA GAZETA describes it as a meeting between "two founders of Russian democracy".

IZVESTIYA writes that "one can suppose without risking to make an error that one such meeting by no means made or could make them completely like-minded. However, it could and must become a major landmark on the way to naitonal accord."

Newspapers continue to comment on a series of unexpected govenrment staff appointments.

KOMSOMOLSKAYA PRAVDA carries an interview with Vladimir Babichev, 55, the government's new chief of staff. He does not deny that until now there was confrontation between the govermental and presidential staff. "We should work concertedly as if we were one team, with common objectives and striving for a common success. Otherwise, there is no sense in our work. In general, we have nothing to quarrel over," Babichev said in particular.

NOVAYA YEZHEDNEVNAYA GAZETA (new daily newspaper) gives the opinion of academician Georgy Arbatov about the U.S. Republicans' triumph at the mid-term congressional elections.

"A transition of control in the U.S. House of Representatives to Republican party members will be painful to Russia... Our relations will be less steady but they will, in principle, reflect all arising problems more realistically," Arbatov maintains.

ROSSIYSKIYE VESTI wonders what for does Prime Minister Viktor Chernomyrdin goes to the Middle East. He intends to visit Saudi Arabia, Kuwait, the United Arab Emirates, and Oman from November 19 to 24.

During the visit to those countries, Chernomyrdin plans to sign a number of documents which will be of basic importance for the sphere of trade and the economy.

"There is every ground to believe that the Russian premier's talks will furnish a solid basis and determine-orientations for a further development of Russian-Arab contacts", the newspaper writes.

PRAVDA carries an interview with Abdulabek Khidirov, chairman of the Vorkuta City Workers' Committee. He expresses a point of view, which is dissimilar to the official one, about the Vorkuta region prospects. He said Vorkuta miners produce coking coals which are among Russia's best. Only the Kuznetsk coal field also affords such coals but their amount there is not large.

IZVESTIYA touches upon the problem of the Russian Plisetsk Cosmodrome which, owing to economic confusion, may turn into "a lifeless store of would-have-been satellites".

Yeltsin Receives Azerbaijan's Aliyev at Kremlin

LD1711164494 Moscow ITAR-TASS World Service in Russian 1545 GMT 17 Nov 94

[By ITAR-TASS correspondent Anna Melnikova]

[FBIS Translated Text] Moscow, 17 Nov—Russian President Boris Yeltsin received Azerbaijani President Geydar Aliyev at the Kremlin today. Before the start of their meeting, Russia's head of state congratulated Aliyev on the festivities now being held in Moscow to mark the 500th anniversary of the birth of Fizuli, the Azeri poet and thinker.

"Unfortunately, I will be unable to attend the festive ceremony," the president noted, "but Vladimir Shumeyko, chairman of the Federation Council, will be there, and he will read out the text of a greetings message on my behalf."

Speaking of the topics to be discussed at the meeting, Yeltsin told journalists that "a number of problems" are to be resolved at the meeting.

An ITAR-TASS correspondent was told by the press service of Azerbaijan's Embassy that the range of topics raised at the meeting by the Azerbaijani leader included matters relating to the settlement of the Karabakh problem and the role of Russian peacekeeping forces and also matters concerning the development of oilfields in the Caspian Sea basin.

Foreign Ministry Against Azerbaijan Caspian Oil Deal

LD1511150694 Moscow ITAR-TASS in English 1420 GMT 15 Nov 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow November 15 TASS—A contract on joint development of three Caspian oil deposits signed by the western consortium and the Azeri State Oil Company in late September in Baku was ratified by the Azeri Parliament today. The document provoked negative reaction of the Russian Foreign Ministry from the very start.

Head of the Russian Foreign Ministry's information and press department Grigoriy Karasin said that Russia does not recognize the agreement provisions. He reminded that the Caspian legal regime established by the Soviet-Iranian treaties of 1921 and 1940 "will remain valid till the time Caspian nations elaborate a new legal regime for the Caspian Sea". "Ignoring of the current international obligations may entail serious political and international consequences," said Karasin.

The Russian interests in the international project are represented by the 10 per cent share of the Russian Lukoil Company.

Back in September the statement of the Russian Foreign Ministry's spokesman resulted in nervousness of Baku and the international consortium.

Many Baku observers explained the reaction of the Russian Foreign Ministry by saying that the agreement concerns Russian geo-political interests in the Transcaucasian region. They did not exclude possible Russian alliance with another major Caspian nation - Iran, which is also not interested in changes of the local geo-political situation.

However, Azeri President Geydar Aliyev was not alarmed by the statement. He told correspondents that the contract signing ceremony was attended by head of the international relations department of the Russian Ministry of Fuel and Energy Stanislav Pugach who was authorized by the Russian Government. On the other hand, the contract is signed by a head of the Russian Lukoil Company - a participant in the consortium.

The Azeri state head reminded that the two states have a governmental agreement on cooperation in power engineering in which Russian side recognized the Azeri section of the Caspian Sea.

A representative of the Lukoil Company told correspondents in Moscow that his company planned to "involve only in economic aspects of the deposit development and keep away from politics from the very start".

Russian Minister of Fuel and Energy Yuriy Shafranik suggested to set up a coordinating committee to observe the development of Caspian seabed and settle problems related to the international consortium. The committee is expected to take into account interests of all Caspian nations in development of mineral resources and may become a permanent international body in future.

The ministry had earlier announced it supports the involvement of Russian companies in similar projects. Official representative of the ministry Aleksandr Degtyarev said "this is a normal entrance of our companies to the markets of former Soviet republics where we have been unwisely losing our position". In his words, the Baku contract is "a real participation of our oil companies, which still have to work hard to compete with western corporations, in large projects with a considerable share".

Ukrainian First Deputy Prime Minister Arrives in Moscow

LD1711153994 Moscow INTERFAX in English 1439 GMT 17 Nov 94

[FBIS Transcribed Text] First Deputy Ukrainian Prime Minister Yevgeniy Marchuk arrived in Moscow on Thursday for a working visit.

A spokesman for the Ukrainian Embassy in Moscow told INTERFAX that Marchuk plans to hold talks with several Russian leaders. On Thursday later in the day he is to meet First Deputy Russian Prime Minister Oleg Soskovets, probably, behind closed doors.

The source in the Ukrainian Embassy said that Marchuk is the head of the Ukrainian state delegation at the talks with the Russian Federation on the future of the Black Sea Fleet.

However, bearing in mind that Marchuk was appointed recently as the first deputy Ukrainian prime minister, it is possible to believe that the range of problems to be discussed in Moscow, will not be restricted by purely military ones. Under discussion will be rather the whole complex of the Russian-Ukrainian relations, said the diplomat.

He said that among members of the Ukrainian delegation is Deputy Ukrainian Finance Minister Boris Sobolev.

A spokesman for the Russian Foreign Ministry told INTERFAX that the program of Marchuk's visit "is being specified." The diplomat said that Marchuk had arrived in Moscow with "broad powers".

The sources in the Russian Foreign Ministry and the Ukrainian Embassy were unable to answer the INTERFAX question on Marchuk's stay period in Moscow.

Yeltsin Ukraine Trip 'Unlikely' Before 22 Nov

MM1611114894 Moscow KRASNAYA ZVEZDA in Russian 16 Nov 94 p 1

[RIA report: "Ukraine Visit Depends On Preparation of Documents"]

[FBIS Translated Text] Moscow—Boris Yeltsin's visit to Ukraine is unlikely to go ahead before the 22 November visit to the United States by Ukrainian President Leonid Kuchma, Dmitriy Ryurikov, the Russian Federation president's assistant for international affairs, has stated. According to him, the visit will only be possible once a bilateral political treaty and agreements on the main issues of Russo-Ukrainian relations are ready for signing.

The experts from the two countries working on the drafts of these documents are devoting the main attention to the problems of the Black Sea Fleet, the dividing up of the debts and assets of the former USSR, and the settlement of the issues of Ukraine's debts to Russia.

Duma Asked To Recognize Sevastopol as Russian City

LD1611223394 Moscow INTERFAX in English 1937 GMT 16 Nov 94

[FBIS Transcribed Text] Crimean Deputy Parliamentary Speaker Viktor Mezhak asked the Russian State Duma Wednesday [16 November] to return to the decision by the Russian Supreme Council to recognize Sevastopol as a Russian city. He proposed the State Duma consider a resolution by the Russian Supreme Council annulling the transfer of Crimea to Ukraine in 1954. Mezhak asked the State Duma to either confirm or annul these decisions as Crimean citizens "ceased to understand whether Moscow still needed Crimea, the Black Sea fleet and Sevastopol." He pointed out that Crimea wanted to be "a bridge connecting two Slavic peoples" rather than a hotbed between Russia and Ukraine.

Mezhak also said Russian deputies should decide on opening a consulate in Simferopol, because now Crimean residents wishing to obtain Russian citizenship have to go to Kiev. A total of 137,000 applications for Russian citizenship have been filed by Crimean residents by the moment, he added.

A deputy of the Liberal Democratic faction, Sergey Churkin, demanded the State Duma pass a resolution on the status of Sevastopol. He pointed out that the city had always remained "in federal jurisdiction" and never been transferred to Ukraine. The committees for CIS affairs, relations with Russian communities abroad, international affairs and geopolitics were instructed to prepare the issue for consideration by the State Duma.

Arbatov Sees New Problems in U.S.-Russian Relations

LD1611145694 Moscow Russian Television Network in Russian 1300 GMT 16 Nov 94

[Report by correspondent R. Safronov over video of academician Georgiy Arbatov, director of the Institute for U.S. and Canada Studies, at news conference; location not given; from the "Vesti" newscast]

[FBIS Translated Text] [Safronov] The victory of the ultra-conservative republicans in the U.S. elections will weaken the position of President Clinton and may become a basis for new problems emerging in Russian-U.S. relations, according to academician Georgiy Arbatov and his colleague Andrey Kortunov, an expert on the United States. In the opinion of Kortunov, the republican majority in the U.S. Congress will oppose the desire of the USSR's former republics to unite in any form, discerning in this Russia's imperialist ambitions. U.S. foreign policy will also change. A clash in the approaches of the United States and Russia is already noticeable, in particular, in the issue of lifting sanctions against Iraq and the embargo on the arms supplies to Bosnia, he believes. It is possible that our parliaments will begin a contest of nationalist rhetoric.

Georgiy Arbatov believes that the U.S. aid to Russia which is next to nothing, anyway, may also be reduced. The attempts of Russia's military to go beyond the framework [vyyti za ramki] of the treaties on the limitation of strategic weapons will come up against decisive opposition in the United States.

The threat of deteriorating Russian-U.S. relations, Arbatov thinks, may come from the Russian side because of rising anti-American sentiments both in parliament and in the public opinion. But he does not lift the responsibility from the United States either.

[Arbatov] I do not understand this: If you have no enemy, why is your military budget as large as $260 billion? And that is a democratically approved budget, incidentally!

[Safronov] Arbatov noted that the period of euphoria in our relations is over. Both in society and in the power structures there can be observed anti-western and anti-U.S. sentiments.

Sees 'Painful' Relations With U.S.

MM1711114094 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 17 Nov 94 p 2

[Article by Sergey Varshavchuk under the "America" rubric: "Are 'Elephants' Better Than 'Donkeys'? Georgiy Arbatov Talks About the Results of the Elections to the U.S. Congress"]

[FBIS Translated Text] As we know, the Republicans won the U.S. congressional elections. What can we expect from this fact? According to Academician G. Arbatov, nothing good: "The transfer of control in the House of Representatives to the representatives of the Republican Party will be painful for Russia." The committees on defense and international affairs are now in their "hands," and these committees have already reacted in their own particular way by abolishing monitoring of supplies of weapons to the Bosnian Muslims and refusing to take into consideration Iraq's recognition of Kuwait. And this is far from a coincidence, since the special feature of these elections is that the most conservative politicians from among the Republicans (in former times they were called "hawks") have come to power in the top legislative organ, while the moderates among the Democrats have been pushed out, leaving mainly the radically minded politicians such as Edward Kennedy. That is, Bill Clinton's critics, who have now gained an official platform.

The Republicans, according to G. Arbatov, will "look over Yeltsin's shoulder" more than their political predecessors, identifying for themselves a new potential candidate at the upcoming presidential elections in Russia. At the same time, closer contacts on their part with the opposition are inevitable; the foundations for this were laid by the late Richard Nixon. Even the limited economic aid which is going to the Russian Federation will, to all appearances, be cut even more with the arrival of the new congressmen, since the "elephants" were skeptical about it in the first place.

The problem of NATO remains unresolved; it was, according to Georgiy Arbatov, created, after all, to stand against a huge nuclear state (the then USSR), whereas now this bloc has come right up to our borders. This is a consequence of the fact that "neither we nor the Americans were prepared for the end of the Cold War. Therefore no program for mutual relations has been elaborated, there are only individual attempts at reacting to events." However, in our history there have been good contacts with both the Democrats and the Republicans, including Nixon and even Reagan, whom our propaganda virtually represented as the devil incarnate. According to both Americanists [as published], it is not worth making any predictions, but it is already clear that "our relations will be less smooth, but in theory they will reflect all the emerging problems more realistically."

Baltic Assembly Statement on Kaliningrad Condemned

LD1611180294 Moscow Ostankino Television First Channel Network in Russian 1552 GMT 16 Nov 94

[From the "Novosti" newscast]

[FBIS Translated Text] In the Federation Council today the deputies adopted a package of laws on ratifying agreements on regulating the processes of resettling and protecting the rights of settlers between Russia and Georgia, Tajikistan, Turkmenistan, and Latvia.

During the hearings on the question Sergey Zotov, representative of the president and head of the Russian delegation at the talks with Latvia, made a statement about the provocative decision of the Assembly of the Baltic States on Kaliningrad Oblast which, he believes, will slow down the normal process of talks with the Baltic countries if the appropriate measures are not adopted at state level.

[Begin Zotov recording] There can only be Russian names there, and no hopes or plans should be cherished by, perhaps, revanchist forces in the Baltic countries or perhaps in other places, too, that these names should be returned to the German form or German pronunciation. This is Russian land. And anyone who tries to review the results of the Second World War in this regard will, I think, bear responsibility for this most crude provocation. [end recording]

Baltic 'Open Interference' Attacked

LD1711113494 Moscow ITAR-TASS World Service in Russian 1055 GMT 17 Nov 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 17 Nov—The deputies to the Russian Federation Council regard the resolution: Concerning demilitarization of Kaliningrad Oblast and its further development—adopted by the Baltic assembly at its sitting in Vilnius on 13 November—as an attempt at an open interference in the internal affairs of the Russian Federation.

Kaliningrad Oblast is an inalienable constituent part of Russia, says a statement issued by this chamber of the Russian Parliament, adopted at its plenary sitting today.

The numerical strength of the Russian troops on the territory of Kaliningrad Oblast is determined by the Russian defense interests and is fully in keeping with Russia's international obligations, stresses the document.

The Federation Council stated that such steps are not only not conducive toward a deepening of trust and cooperation, but are directed at a serious exacerbation of the situation in this region.

Baltic Countries Promised 'Rebuff'

MM1711114594 Moscow ROSSIYSKIYE VESTI in Russian 17 Nov 94 p 1

[Russian Foreign Ministry statement: "When All Sense of Proportion Is Lost"]

[FBIS Translated Text] At its 13 November session in Vilnius, the Baltic Assembly—the Baltic states' parliamentary organ—passed the resolution "On the Demilitarization of Kaliningrad Oblast and Its Further Development." This document cannot be seen as anything other than overt interference in the Russian Federation's internal affairs. Having lost all sense of proportion and reality, the Baltic parliamentarians are staking a claim to making the future of Kaliningrad Oblast a "problem for all Europe" which will require "joint efforts" to resolve.

In this connection we need to remind those who came up with this irresponsible idea that Kaliningrad Oblast was, is, and will continue to be an inalienable part of the Russian Federation and that its territorial inclusion in Russia has been enshrined forever in acts of international law. Any infringement of Russia's sovereignty will meet with the most resolute rebuff.

Businesslike cooperation with Kaliningrad Oblast is another matter. As before, we are prepared to discuss and resolve these issues on a bilateral and multilateral basis, including with the participation of international organizations.

The Baltic Assembly resolution is a graphic example of the irresponsibility of politicking and the desire to attract the world community's attention at all costs....

We would like to hope that this approach will not meet with the support of serious politicians either in the Baltic countries themselves or worldwide.

Foreign Ministry on Resolution

LD1611201594 Moscow INTERFAX in English 1635 GMT 16 Nov 94

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] The Russian Foreign Ministry qualified the resolution of the Baltic Assembly "On Demilitarization of the Kaliningrad Region and on its Further Development" as "overt interference in the internal affairs of the Russian Federation."

The resolution adopted in Vilnius, the Lithuanian capital, on November 13, contains an appeal to convene an international conference on demilitarization of this region and on its further development.

To this effect the statement of the Russian Foreign Ministry distributed on Tuesday evening underlines that the Kaliningrad Region has been, is, and will be an integral part of the Russian Federation. Russia does not intend to discuss issues related to the future of this territory or on its status with anyone.

As far as the strength of the Russian forces in this region is concerned, it is determined only by Russia's defense requirements and its international obligations. The document reminds that the strength of Russian forces in the Kaliningrad Region is gradually being reduced. "However, it's our internal issue, which we solve in line with the development of the situation in the region, in Europe as a whole, and the policy of the neighboring states," the statement says.

Deputy Foreign Ministers Take on New Assignments

MK1611110094 Moscow MOSKOVSKIYE NOVOSTI in Russian, No. 56, 13-20 Nov 94 p 3

[Unattributed report in the "Reshuffles" column: "The Russian Foreign Affairs Ministry's Main Troubleshooter"]

[FBIS Translated Text] A major redistribution of duties between deputy ministers is under way in the Russian Ministry of Foreign Affairs [MFA].

Boris Kolokolov will not longer be in charge of regulating the situation in the Middle East. He is now responsible for diplomatic protocol, the archives, and many other MFA services not directly related to regional problems. Kolokolov's functions in the Middle East will be taken over by a new deputy foreign minister, Viktor Posuvalyuk. Earlier Posuvalyuk was director of the Middle East Department and the Russian Federation president's special representative on the Middle East. Before that he worked as adviser/minister in Syria and USSR ambassador to Iran. It is not as yet clear whether Posuvalyuk will remain the Russian president's special representative. At least some diplomats in the MFA believe that there is no longer any need for a special representative, because apart from regulating Syrian-Israeli relations, Russia will hardly be able to intervene anywhere else in the Middle East. In addition to the Middle East, Posuvalyuk will deal with the Karabakh conflict and Georgian-Abkhaz relations, which were earlier overseen by Boris Pastukhov. In other words, Posuvalyuk is becoming the main troubleshooter in the Russian MFA.

Russia's relations with NATO, as well as European cooperation, have been taken on by Nikolay Afanasyevskiy, who replaces Vitaliy Churkin. Afanasyevskiy's jurisdiction also includes the entire territory of former Yugoslavia. The Yugoslav settlement, however, will be supervised by another person: First Deputy Minister Igor Ivanov. He also takes charge of the MFA Information and Press Department.

U.S. Bosnia Move Impacts WEU Forum, Kozyrev Paris Talks

MM1711113994 Moscow KRASNAYA ZVEZDA in Russian 17 Nov 94 p 3

[Article by Vadim Markushin: "U.S. Egoism Stimulates European Autonomy"]

[FBIS Translated Text] The Clinton administration's decision no longer to participate in practically controlling arms shipments to the Bosnian Muslims caused an important amendment to the agenda of Monday's [15 November] Western European Union [WEU] session in Noordwijk. WEU members' attitude toward that decision was one of the main items on the agenda. Expressing regret at Washington's unilateral move, the session participants declared that they themselves will continue to observe the well-known Security Council resolution. At the same time the declaration they adopted stresses their determination to continue efforts via the "Contact Group" on Bosnia to find a political settlement to the conflict.

The content of the conversations in Paris during Russian Foreign Minister Andrey Kozyrev's official visit was similarly amended. The aforementioned change to the situation around Yugoslavia occupied as important a place in the talks as the other international topics scheduled for discussion. For instance, the questions of restoring Iraq's rights or Russia's relations with the European Union.

In both cases the reaction of high-ranking representatives of the European states was in keeping with the gesture made by Washington. The U.S. angle of "incidence" in terms of its peacekeeping role in the Balkans is equal to the European angle of "reflection," demonstrated despite the U.S. leader's rank and services. The United States has withdrawn from collective action for which it itself voted—both in the Security Council and in NATO. The Europeans have once again contemplated consolidating their autonomy, including military autonomy, within the WEU framework.

All this does not entirely mean that this autonomy is directed against the United States. Just as the galvanization of Russia's strategic cooperation with the leading European powers does not have any anti-U.S. orientation. Russian Minister A. Kozyrev is striving to clearly highlight this important detail. "This will not be partnership against the United States, but partnership with them. The kind of partnership which ensures that Europe's voice is heard independently and Moscow's voice is also fairly loud within the European choir," he said.

Paper Views Implications of NATO Expansion Plans

MM1611124094 Moscow KRASNAYA ZVEZDA in Russian 15 Nov 94 p 3

[Commentary by Manki Ponomarev under the rubric "Remarks to the Point": "Us and Them?"]

[FBIS Translated Text] The West continues to discuss the question of expanding the North Atlantic alliance. To listen to some, it transpires that a number of Central and East European countries will become full members of the alliance, if not tomorrow, then not later than the day after tomorrow. But others argue that that is a matter for the very distant future.

In this connection, the recent statement by U.S. Defense Secretary William Perry could not fail to attract attention. He said with absolute certainty that next year there will be no expansion of the alliance. However, he says, NATO is beginning a process of formulating the criteria according to which new members could be admitted into the organization in future.

So what are these criteria? It is suggested that they will be finally formulated at the next session of the NATO Council, to be held in December. But even now the United States, THE WASHINGTON POST newspaper points out, has nearly completed the elaboration of specific requirements which will be presented to countries aspiring to obtain membership of the North Atlantic alliance. These requirements include continued adherence to democracy, a guarantee of securing civilian authorities' control over the military, and a readiness to make a contribution to the defense of one's country. "Potential new members of the bloc," a high-ranking official of the U.S. Administration stated, according to the paper, "should know what to expect in the course of the negotiations."

However, it is not only a matter of these criteria or requirements. Obviously, their formulation will not cause the Atlantic experts any particular difficulties. But so far the leading NATO powers have not formulated a single viewpoint concerning the shifting of the bloc's boundaries in the eastward direction.

There is an evident reluctance on the part of Washington and its allies to take upon themselves new obligations in the field of security and to allocate significant sums of money necessary for the expansion of the North Atlantic alliance. Also, a number of very serious questions need to be solved. Will the troops of the Western countries, or their combat hardware, be sent to Eastern Europe to be deployed there? Will it become necessary to site nuclear weapons on the territories of the bloc's new members? The Pentagon also fears that a country admitted to NATO in haste could revert to authoritarian rule or provoke an interethnic conflict. Thereby the West could face the necessity to defend, against its will, a government pursuing "unworthy goals."

However, it is absolutely clear that the main obstacle on the way to adopting a decision on expanding the North Atlantic alliance is Russia's principled position. As official representatives of our country have more than once emphasized, such a decision could lead only to a new division of Europe and the emergence of yet another political demarcation line between East and West. Instead of a reinforcement of stability and security, the continent will again experience an atmosphere of confrontation and "cold war."

This is well understood in the capitals of the leading NATO countries. They are searching for a homogenous formula that would suit everyone and that would, on the one hand, meet the expectations of the impatient candidate members of the alliance and, on the other, dispel Moscow's fears by postponing a political decision about expanding the alliance until a later date.

And so the Atlanticists are today at a crossroads. And the direction which they choose to take will to a large extent determine the fate of Europe. And not only Europe.

French Parliament Chairman Meets Kozyrev

LD1611133994 Moscow ITAR-TASS in English 1313 GMT 16 Nov 94

[By ITAR-TASS correspondents Nikita Yermakov, Mikhail Kalmykov and Andrey Shtorkh]

[FBIS Transcribed Text] Paris November 16 TASS—Replying to a query from ITAR-TASS, French National Assembly Chairman Philippe Seguin said that he is decisively for an early admission of Russia to the Council of Europe (CE). He was speaking today after his meeting with Russian Foreign Minister Andrey Kozyrev, who is here on an official visit.

The head of the lower house of the French Parliament added that a qualitative and significant progress in relations with Russia is among priorities of the process of European construction. Neither Russia or Europe has the right to miss the chance in this historical opportunity that has opened in this context. He recalled that quite recently he spoke on this topic in the CE.

On behalf of the National Assembly and personally himself he reiterated France's interest in deepening true partner-like ties with Russia which should be suffused with new contents in conformance with demands of the time. According to Seguin, this issue will be raised during his forthcoming visit to Russia. In Moscow he will hold talks with representatives of the Russian Paliament and the governemnt. In particular, he plans to address the State Duma (lower house of parliament).

Kozyrev Paris Visit has 'Wide Impact'

MM1711121394 Moscow ROSSIYSKIYE VESTI in Russian 17 Nov 94 p 3

[Report by Pavel Vasilyev: "One of the Central Planks of the Future Europe. This Is How Francois Mitterrand Described the Alliance Between Russia and France in Conversation With Andrey Kozyrev"]

[FBIS Translated Text] As Moscow had expected, the visit to Paris by the head of the Russian Ministry of Foreign Affairs had a wide impact. First, it filled the pause in the relations between the two countries resulting from Boris Yeltsin's aborted meeting with Francois Mitterrand in Naples. Second, the situation in Bosnia has seriously deteriorated, and hence it is essential for Russia and France, as active members of the "contact group" working to settle this conflict, to elaborate a joint line for further actions in the Balkans. It is expected that the head of the British Foreign Office will join in this work tomorrow. Finally, from 1 January 1995 France will take the chair in the leading organs of the EU. And this means that its voice in the choice of the paths of building the new Europe will acquire special weight.

The Russian minister's very first meeting—it took place in the Elysee Palace, and Andrey Kozyrev's interlocutor was Francois Mitterrand himself—indicated that the substance of many of the assessments of the world situation of Moscow and Paris coincide or are close. Most importantly of all, President Mitterrand vividly spoke, citing historical examples, of the inadmissibility of fostering, whether through inadvertence or any other cause, any sense of isolation on Russia's part, any feeling that it is moving away from Europe. The key task in this connection, he indicated, is to find a means of building Europe with Russia's participation. The historical alliance between France and Russia and the current partnership between our countries appears to be one of the central supporting planks in the construction of the new Europe.

This assessment is extremely important on the eve of the CSCE summit meeting in Budapest, scheduled for the beginning of December, at which the question of where Europe will go henceforward—towards new schisms, the hurried expansion of NATO, and the unjustified procrastination over accepting Russia into the Council of Europe, or whether development will continue along the path of constructing a single democratic Europe. It is no secret that Moscow is seriously concerned that the United States and Germany are pushing for the "wholesale" expansion of NATO. Moreover, there is talk of including certain East European countries—former USSR republics among them—in the alliance's ranks, without waiting for the "Partnership for Peace" program to be implemented. Such a development would extend NATO to Russia's borders, and totally eclipse a European organ as prestigious as the CSCE.

But, while devoting priority attention to the future of Europe, Andrey Kozyrev is not neglecting bilateral relations, above all in the sphere of the economy, science, technology, and culture. In particular, Moscow is voicing concern over a certain reduction in trade and economic exchanges, and hopes for the curtailment of restrictive practices in the trade in nuclear cycle commodities, a sphere in which Russia and France are competitors. It has not been ruled out that an agreement on French assistance in the construction of a repository for hydrogenous materials in our country will be signed in the course of the visit.

On the first day of the visit Andrey Kozyrev visited the headquarters of UNESCO. At a meeting with Federico Mayor, director general of this international organization, he discussed a range of problems connected with the further development of Russia's cooperation with UNESCO in the spheres of culture, education, science, and communications. The discussion touched on, in particular, six projects for collaboration, including handing over Russia's architectural, religious, historical, and cultural monuments to UNESCO's custody. Andrey Kozyrev noted that conferring world heritage status on our historical treasures, such as the Kremlin, the Solovetskoye Monastery, and others, should not be simply a formal act, but could open the road to the revival of material and spiritual values. The head of the Ministry of Foreign Affairs also thanked Federico Mayor for the medicines purchased by UNESCO officials for children suffering as a result of the Chernobyl catastrophe, and assured his interlocutor that he would personally oversee their delivery to their destination.

Mitterrand, Kozyrev Discuss 'Partnership'

LD1611192394 Moscow INTERFAX in English 1635 GMT 16 Nov 94

[From the "Diplomatic Panorama" feature: by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] President Francois Mitterrand pointed out that it's inadmissible to create for Russia the feeling of isolation from the rest of Europe even through oversight, Russia's Foreign Minister Andrei Kozyrev told the Russian journalists accompanying him in comments on his Tuesday's meeting with the French head of state.

The head of Russian diplomacy is in Paris on an official visit. According to him, President Mitterrand pointed to the need to find ways to involve Russia in the efforts to build a new Europe. President Mitterrand believes, Kozyrev said, that the historic alliance between Russia and France and today's partnership relations are a pivot of this process.

Another idea that was voiced during his conversation with President Mitterrand is that a fresh, innovating approach to European affairs is needed. "Maybe there are people who are not ready to lay a ripe scheme on the table so far, but it's clear that this idea is becoming increasingly widespread," Kozyrev pointed out.

He warned against embarking on the road of "simplified measures connected with reorganizing old structures on the continent." He referred by way of example to NATO and the Conference for Security and Cooperation in Europe (CSCE) which were created "in another era." The head of Russian diplomacy noted the positive experience of those organizations, but added: "Is it impossible to give an innovatory answer to the perfectly new situation arising in Europe now, in the middle of the 1990's?"

According to Kozyrev, this is the essence of what President Mitterrand said. "This opens for Russia additional opportunities to work in the European direction, to strengthen our long-term strategic interaction with our key European partners - France, Britain and Germany," Kozyrev said.

"Moscow's voice in the European choir should sound loudly enough," he pointed out. Russia's strategic cooperation with European partners is not directed against the USA, he added.

The CSCE summit to be held in Budapest in December will decide what road Europe will take in the future, Kozyrev said. "One road is fresh splits, such as NATO's hasty expansion or unjustified delays in admitting Russia to the Council of Europe. Another road is the building of a united and democratic Europe," he stressed.

Moscow Considers Trade Partnership With Lisbon

LD1611224294 Moscow ITAR-TASS in English 2121 GMT 16 Nov 94

[By ITAR-TASS correspondent Leonid Lukashev]

[FBIS Transcribed Text] Moscow 17 Nov (TASS)—Visiting Portuguese Minister of Economy and Tourism Fernando Faria de Oliveira described results of his official visit to Russia as very successful and promising.

De Oliveira is in charge of a delegation of Portuguese businessmen who are actively involved on the Russian market.

The Portuguese minister unveiled results of his talks with leaders of several Russian economic departments at a news conference in Moscow on Wednesday [16 November].

De Oliveira and Russian Vice-Premier Oleg Davydov considered possible inauguration of a credit line amounting to 200 mln usd [million U.S. dollars] with an eye to supporting export and partnership relations. According to him, relevant financial protocol will be signed in January 1995, during Davydov's visit to Portugal.

When the Portuguese minister met with Moscow Mayor Yuriy Luzhkov, the two parties discussed outlooks for involving Portuguese business community in developing Moscow's infrastructure and future prospects for cooperation at the level of small and medium-scale businesses.

According to de Oliveira, there are good prospects for trade and economic cooperation in such fields as fuel resources production; fish products processing; transportation; plastic press-form production; ship-building and shoe-manufacturing.

Development of bilateral business contacts between the two countries is directly linked to implementation of the European Council's plan for technical assistance to the former Soviet republics which was adopted in 1990, de Oliveira emphasized.

Touching on indebtedness of Russian companies to Portuguese partners, de Oliveira said that the two parties agreed that the issue would be discussed at the talks which would proceed in accordance with the agreements reached between Russia and the Paris Club.

Kuwait Welcomes Chernomyrdin's Upcoming Visit

LD1611174694 Moscow ITAR-TASS in English 1620 GMT 16 Nov 94

[By ITAR-TASS correspondent Viktor Lebedev]

[FBIS Transcribed Text] al-Kuwait November 16 TASS—The Kuwaiti Cabinet officially welcomed today the forthcoming visit of Russian Prime Minister Viktor Chernomyrdin to the country which is to begin on November 20, 1994.

Meetings, which the Russian delegation will hold here, will serve "strengthening ties of friendship between the two friendly countries and exchanging opinions on problems of mutual interest", it was said at a regular session of the cabinet today.

Kuwaiti Prime Minister Sa'ad al-'Abdallah al-Salim al-Sabah and the Kuwaiti Government wished the Russian government leader "good stay" in the country.

Posuvalyuk, Bentzur Discuss Israel, Middle East

TA1611172694 Tel Aviv DAVAR in Hebrew 16 Nov 94 p 1

[Report by Moti Bassok]

[FBIS Translated Text] Russian Foreign Minister Andrey Kozyrev will make a working visit to Israel in January. This was agreed on yesterday in Moscow by Viktor Posuvalyuk, the head of the Israeli desk at the Russian Foreign Ministry, and Israeli Foreign Ministry Deputy Director General Eytan Bentzur.

Contrary to plans, Bentzur did not meet yesterday with Kozyrev himself, since the Russian foreign minister was suddenly summoned to a meeting in Paris on the Iraqi issue. Bentzur gave Posuvalyuk a personal letter from Shim'on Peres to his Russian counterpart, inviting Kozyrev to make a working visit to Israel.

So far, the Russian foreign minister has only held brief visits to Israel, mostly devoted to the peace process. It is hoped that the upcoming visit will permit a thorough discussion of bilateral relations as well as promote the peace process.

The meeting between Posuvalyuk and Bentzur focused on the Iraqi issue. Posuvalyuk, who was the Russian ambassador to Iraq during the Gulf War, briefed Bentzur on Russian diplomatic efforts to lower tensions between Baghdad and Kuwait.

Among other things, Posuvalyuk briefed the Israeli official on Kozyrev's visit to Iraq last week and his meetings with Iraqi leaders, including President Saddam Husayn. Most of the efforts focused on attaining Iraq's eventual recognition of its current border with Kuwait.

Contrary to the impression in the West, apparently Russia also feels that although important, Iraq's recognition of Kuwait is not enough in order to lift the international sanctions. The Russians also feel that Iraq still has to implement a series of steps before the United Nations lifts the embargo, including the restoration of Kuwaiti property seized during the Iraqi invasion, the return of Kuwaiti MIA's, the release of prisoners, and so forth.

As for Syria, Posuvalyuk noted that Russia was constantly updating Damascus on developments in peace forums Syria was not participating in, such as the multilateral talks, and more recently the Casablanca summit. Moscow received the impression that Syria is determined to make progress in the political negotiations and regards the process as irreversible.

The Russians pointed out that in 1995 they intend to celebrate the 50th anniversary of the victory over Nazi Germany. Within the context of these celebrations they wanted to establish a joint Russian-Israeli steering committee to examine ways of holding joint celebrations; for example, arranging to have Red Army veterans meet Jewish survivors of the Nazi death camps who are living in Israel.

Exporters Deny Plan To Sell Arms to Pakistan

LD1611183594 Moscow INTERFAX in English 1411 GMT 16 Nov 94

[FBIS Transcribed Text] Russia's arms exporting monopoly has denied Western media reports that Moscow is considering sales of Su- 27 warplanes to Pakistan.

Russia has no plans to sell any weapons to that country, a spokesman for the Rosvooruzheniye state exporting company said.

The spokesman told Interfax on Wednesday that Rosvooruzheniye General Director Viktor Samoylov and other company executives would accompany Prime Minister Viktor Chernomyrdin on a tour of Middle East Gulf countries beginning late this week. Arms sales are one of the main subjects to be discussed by the Russian delegation during the trip.

Earlier this year Moscow signed a contract to sell 60 armored vehicles and 27 Smerch salvo fire systems to Kuwait, Western sources said.

Between December 1 and 10, Russia will hold talks with India to consider "concrete aspects" of planned exports to that country of MiG-29M fighter and ground attack aircraft and diesel submarines and assistance in modernizing MiG-21 planes, the principal model of fighter in the Indian Air Force, the spokesman said.

Having made a major deal to export MiG-29 craft to Malaysia, Moscow is negotiating arms sales to Thailand, Indonesia and Philippines, having so far achieved "encouraging" results, according to Rosvooruzheniye chief Samoylov. More exports of ground and naval armaments to Malaysia are also possible, the company says.

Rosvooruzheniye this year plans to export arms to a sum twice as high as last year's one of $2.2 billion.

Iranian Diplomat Reported Beaten Up in Moscow

LD1711143294 Tehran IRNA in English 1415 GMT 17 Nov 94

[FBIS Transcribed Text] Moscow, Nov. 17, IRNA—Three unidentified armed men broke into the home of a staffer of Iranian Embassy in Moscow, beating up the diplomat and stealing some properties.

While entering his apartment at a diplomatic quarter in Moscow along with a colleague Monday night, the staffer of the Iranian Embassy met with three armed man waiting inside his home.

The armed men demanded all cash money he kept at home including 7,000 dollars they calimed he had earned from sale of his car.

They searched the apartment in hope of finding cash money but after finding nothing they stole some properties and escaped. They also threatened the man to deliver dlrs. 30,000 to them at a subway station in Moscow Tuesday or else his life would be endangered.

Over the past few months, the cars of some Iranians residing in Moscow have been stolen and several other Iranian tourists have been robbed and beaten up.

Ministry Aide Previews Chernomyrdin Gulf Tour

MM1711102494 Moscow ROSSIYSKIYE VESTI in Russian 17 Nov 94 p 3

[Article by Yuriy Nikolayev: "Why Viktor Chernomyrdin Is Going to the Near East"]

[FBIS Translated Text] Few would deny that Russia has been markedly more active in the international arena of late. Attention is drawn to the lively contacts and talks on the Near East problem. Progress toward a gradual resolution of it has made it possible for Russian Premier Viktor Chernomyrdin to prepare a visit to the countries of the Arabian Peninsula. He intends to visit Saudi Arabia, Kuwait, the United Arab Emirates [UAE], and Oman 19 through 24 November.

The Russian premier's trip will not go unnoticed by the world community, for many reasons. These include the obvious strengthening of Moscow's role in the region. This is the first time in the entire history of Russia's relations with the group of Persian Gulf states that our premier has traveled to the Arabian Peninsula.

Official Moscow is attaching great importance to the visit. It is being held at a time when the atmosphere in the Near East is far from simple. The continuing crisis in relations between Iraq on the one hand and Kuwait and certain other countries on the other hangs gloomily over the lives of states in the region.

For this reason it is of some interest to look at the coming trip from the "Iraqi angle." First and foremost, groundbreaking work for the visit was done by Russian diplomats in the run-up to it. Everyone is familiar with the fruitful talks between Foreign Minister Andrey Kozyrev and many Gulf states. He visited Baghdad just the other day and won Iraq's full and official recognition of Kuwait's territorial integrity and borders.

This is how Vladimir Gudev, first deputy director of a Foreign Ministry department, assesses the results that have been achieved. "It is quite obvious," he said in conversation with your ROSSIYSKIYE VESTI correspondent, "that this is a fundamental shift in Iraq's position and a resolute step toward fulfillment of the UN Security Council resolution. The international community has been actively campaigning for recognition of Kuwait for the several years since its occupation. I would say more—not a single Iraqi Government has recognized Kuwait since the state declared its independence. Recognition of Kuwait is the cornerstone of the entire complex of postcrisis settlement in the region."

Our premier has a good opportunity to brief the leaders of these states on Russian diplomats' contacts with the Iraqi leadership and to tell them about our vision of the further development of the situation in the region and Russian plans to strengthen stability and security in the area.

The conclusion of a full-scale peace treaty between Israel and Jordan, the implementation of the plans for an autonomous Palestinian area on the West Bank, in Gaza and in Jericho, and the possible progress toward new accords between Israel and Syria and Lebanon all show that the Near East is moving toward a peace settlement. And the states of the peninsula cannot stand apart from this important process. Consequently, we can expect an exchange of views on this subject between the Russian premier and the leaders of the countries receiving him, as well as on what the Near East expects in the postconfrontation period.

For both sides this period could be very fruitful—the shoots of multilateral cooperation between us and the peninsula countries have long been waiting for the right climate. Some experience has been built up. But, given the economic and financial possibilities of both sides, we should not talk as yet about the scale and scope of economic relations between them. Everyone knows that the Persian Gulf states have major amounts of capital from their oil exports. Considerable amounts of that capital could be used to mutual benefit to open up the Russian market. It is just a question of coordinating the terms for possible investment and ensuring guarantees for them.

Viktor Chernomyrdin will begin his four-country tour in Saudi Arabia. Saudi funds are being used to develop oil fields on Sakhalin. To this end a joint venture, subsequently transformed into the "Petrosakh" Joint-Stock Company, was set up in 1991. The Saudis have invested more than $60 million. Viktor Chernomyrdin's briefcase contains a whole package of drafts in various spheres—petrochemicals, oil extraction, transport construction, and others. So some quite extensive prospects are opening up. Currently our trade turnover totals just a few tens of millions of dollars. Trade and economic cooperation with the countries of the region is expanding into the sensitive and delicate military-technical sphere. A major contract (worth hundreds of millions of dollars) for the delivery of special equipment to Kuwait was signed a few months ago. These shipments will help to safeguard its security and make the leaders and the people confident that the aggression against them cannot be repeated.

Our contacts with Kuwait are extensive and diverse. They involve the most varied organizations. The national investment fund, which takes part in the funding of major projects in different states, operates in the country. Clearly, there will be a discussion between Viktor Chernomyrdin and the fund's leaders on the possibility of specifically applying its forces in the Russian economy.

Tens of thousands of Russian tourists travel to the UAE, and comprehensive contacts—including military-technical contacts—are maintained with the state. Major documents concerning economic ties are being actively discussed at the moment and some of them may be signed next week.

The next page in Viktor Chernomyrdin's itinerary is Oman. Contacts with this country also revived after 1990-1991. Our position in the Iraq-Kuwait conflict was highly assessed by Oman. Through joint efforts we are now carrying out a very major project—together with this country, Kazakhstan, and a major U.S. oil company we are joining the Caspian pipeline consortium. There are good opportunities for cooperation in the sphere of the desalination of seawater. Oman is devoting particular attention to this. It is setting up a regional center for water resources. We have developments in the desalination sphere that are without parallel anywhere in the world. New technology could be used via the center for all the countries of the peninsula.

"During the visit," V. Gudev added, "it is planned to sign a whole series of documents with these countries—documents which are of fundamental importance for the trade and economic sphere. They are designed to form a reliable legal basis for economic cooperation and will help businessmen in both countries to surmount the barrier of uncertainty when it is a question of major deals in the trade and economic sphere.

"A protocol of consultations between foreign ministries is being prepared for signing in Kuwait. It will make it possible to put mutual contacts on a regular footing—we will be able to discuss international problems more productively and systematically, particularly those concerning the region. It is planned to sign a similar document with Saudi Arabia as well."

Viktor Chernomyrdin's trip has not yet begun, but it is being spoken of in Arab countries as a very important and necessary event.

As al-Hajj Bin-'Abdallah al-Mukhayribi, chairman of the UAE National Federal Council, stated, "the peoples of the Arab countries of the Persian Gulf—Emirians, Kuwaitis, and the inhabitants of the entire vast Arabian region—want to get to know the new Russia better and to strive to establish extensive ties of business and friendship with a country that invariably prompts warm and good-neighborly feelings in every Arab. We welcome the coming first visit to the countries of the Arabian Peninsula by Russian Premier Viktor Chernomyrdin."

There is every reason to believe that the Russian premier's talks will lay a firm foundation and define the avenues for the further development of Russo-Arabian ties.

Border Protection Protocol Signed With Mongolia

LD1511194294 Moscow ITAR-TASS in English 1846 GMT 15 Nov 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] moscow November 15 TASS—Intergovernmental agreements and protocols on cooperation in frontier guarding between Russia and Mongolia were signed by heads of the Border Guards Services of the two countries in Moscow on Tuesday [15 November].

The signed documents envisage an exchange of information and joint actions on preventing attempts of drug trafficking and transportation of weapons and migrants across the border, Major-General Aleksey Kozhevnikov, deputy commander-in-chief of Frontier Troops and head of the International Treaty Department of the Federal Border Service of the Russian Federation, told ITAR-TASS.

The Russian side undertook to train Mongolian officers-border guards. The term of action of the agreements is five years but at the wish of the sides they may be prolonged automatically for another five years.

Soskovets To Head Economic Mission, Meet Murayama

OW1711043094 Tokyo KYODO in English 0356 GMT 17 Nov 94

[FBIS Transcribed Text] Moscow, Nov. 17 KYODO—Russia's First Deputy Premier Oleg Soskovets will lead a large delegation to Japan from Nov. 25 to Dec. 1 to promote economic cooperation between the two countries, informed sources said Wednesday [16 November].

While in Japan, Soskovets will sign agreements on bilateral economic cooperation, the sources said.

As well as signing the economic agreements with Foreign Minister Yohei Kono on Nov. 26, Soskovets will have talks with Prime Minister Tomiichi Murayama and Finance Minister Masayoshi Takemura on Nov. 28, said the sources who are well-versed in Russo-Japanese affairs.

The delegation will include top-level officials from Russia's maritime states and regions, officials from oil and gas corporations and representatives from the Russian automobile manufacturing industry, the sources said.

They said delegation members will seek increased investment by the government-funded Export-Import Bank of Japan and will sign separate cooperation agreements with individual Japanese corporations.

During the delegation's Nov. 25-29 stay in Tokyo, its members will meet representatives of the Federation of Economic Organizations (Keidanren) and the Japan Association of Corporate Executives (Keizai Doyukai) as well as Diet members who have close links with Russia.

The sources said the delegation will move to Kyoto on Nov. 29, and on Nov. 30 will meet economic leaders from the Kansai region, including Kyoto and Osaka.

They will then fly to Oita in Kyushu to inspect industrial facilities, including a steel mill, before departing for Russia on Dec. 1, the sources said.

Japanese Concerns Over Carriers' Possible Resale

MM1511171894 Moscow IZVESTIYA in Russian 15 Nov 94 p 3

[Report by Sergey Agafonov: "Country Greets 300th Anniversary of Russian Fleet by Selling Aircraft Carriers"]

[FBIS Translated Text] Tokyo—IZVESTIYA (No. 218) has already reported the conclusion of a contract by the Russian Defense Ministry for the sale of two "scrapped" aircraft carriers from the Pacific Fleet to South Korea.

There are not many aircraft carriers in general, and what is more, it is not every day that they are sold in the form of scrap metal, and this prompts me to retell a Japanese article in detail. As TOKYO SHIMBUN writes, the contract for the sale of the two aircraft-carrying cruisers Minsk and Novorossiysk with a displacement of 37,000 tonnes apiece, was signed 16 October by representatives of the department for monitoring the use of resources at the Russian Defense Ministry and a South Korean company with its headquarters in Seoul. Both the fearsome ships were sold as scrap, although the Japanese newspaper notes that the Minsk was on the "active service" list of the Pacific Fleet in 1979, while the Novorossiysk was categorized in the same way in 1984, and that both aircraft carriers were scarcely halfway through the "operating life" stipulated by their builders.

During the Cold War period, the Minsk and the Novorossiysk opposed two American carrier-borne groupings in the Far East region, but after the collapse of the USSR, and against the backdrop of unexpected economic difficulties, they became redundant and turned into a kind of ballast for the famous Pacific Fleet. As the Japanese write, the aircraft carriers were first of all moored for major repair work at the base in Sovetskaya Gavan, then it turned out that the fleet did not have the money to carry out the planned repairs, then the ships were crossed off the list of ships on active service, and now they have been sold for scrap to the South Koreans. According to the Japanese information, the deals for the two aircraft carriers were not concluded straight away, but only after unofficial talks with 12 companies in various countries—the United States, India, Germany, and Japan. The Seoul firm agreed to the best price (although it was not specified what this was), and this settled the outcome.

What interests the Japanese, however, is not all these machinations, but a working hypothesis which has not hitherto been refuted in any convincing way. According to this hypothesis, South Korea does not have the capacity to completely cut up ships as big as aircraft carriers. And although the weapons, navigation equipment, and communications equipment are to be removed from the Minsk and the Novorossiysk when they are transferred to South Korean hands, this does not by any means rule out the likelihood of the ships being resold to some third party (TOKYO SHIMBUN believes that this is China) and being used "for their original purpose."

Statements by the South Korean customer to the effect that the contract envisages the cutting up of the aircraft carriers' hulls into strips no more than two meters wide and the monitoring of the implementation of the contract by Russian representatives do not rule out the likelihood of a resale as such, if only because, as we know, not all contracts in the world are observed. But the appearance of the aircraft carriers in the Chinese Navy would, from the Japanese point of view, disrupt the strategic balance in the region and may generate serious difficulties in "big politics."

Time will tell what will happen ultimately in "big politics." But for now, the Russian Navy, which will mark its 300th anniversary next year, now has two aircraft carriers fewer.

Political Issues

Yeltsin, Solzhenitsyn Hold 'Informal Meeting'

LD1611165094 Moscow ITAR-TASS in English 1634 GMT 16 Nov 94

[By ITAR-TASS correspondent Igor Veksler]

[FBIS Transcribed Text] Moscow November 16 TASS—Russian President Boris Yeltsin and former dissident writer Aleksandr Solzhenitsyn had an informal meeting on Wednesday [16 November]. Wives of the two figures, Naina Yeltsina and Natalya Solzhenitsyna, also attended, TASS learnt from reliable sources.

Shakhray in Danger of Losing Vice Premiership

MK1711110094 Moscow KOMMERSANT-DAILY in Russian 17 Nov 94 p 3

[Report by Dmitriy Kamyshev: "After Prolonged Fighting, Sergey Shakhray Has Abandoned Chechnya"]

[FBIS Translated Text] Things are still quiet in Chechnya: The major event in November was the opposition's abduction of State Secretary Aslanbek Akbulatov, to secure whose release Groznyy yesterday created a special commission. In Moscow, however, the subject of Chechnya has been brought up quite often lately: For two days in succession politicians and journalists discussed the removal of Vice Premier Sergey Shakhray from overseeing the "Chechen question."

The coincidence of these two events is very symbolic. Aslanbek Akbulatov's meetings with presidential chief of staff Sergey Filatov became the first negotiations between Moscow's and Groznyy's official representatives after a long break. Yet later on Sergey Shakhray, much disliked by the Chechen authorities, was appointed chief negotiator, which became one cause for a new anti-Russian campaign by Groznyy, and ultimately led to a freezing of bilateral relations.

Akbulatov's and Shakhray's fates might no longer cross, however. The Chechnya state secretary, whom the opposition is hoping to trade for their associate Ibragim Suleymenov, in the event of a successful exchange, will most likely remain one of Dudayev's closest lieutenants. But Sergey Shakhray, who has already left a minister's chair, could also part with the vice premiership: Nikolay Yegorov, who replaced him in the Nationalities Ministry this spring, is tipped as his successor. True, this is no news: An edict on appointing Yegorov as head of the delegation at talks with Groznyy has been lying on the president' desk since early June, but owing to the anti-Russian campaign in Chechnya its signature was postponed. In fact it was at that time that Sergey Shakhray lost his oversight of Chechen affairs while the opposition weakness, on which the vice premier was pinning particular hopes, only further convinced the president that this decision was right.

Urnov to Head President's Analytical Center

LD1611151494 Moscow ITAR-TASS World Service in Russian 1437 GMT 16 Nov 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 16 Nov—Mark Urnov was today appointed the new head of the Russian president's analytical center. This was stated in an instruction issued by the head of state, the text of which was received today by ITAR-TASS. Urnov replaces Yevgeniy Yasin, who several days ago was appointed minister of economics.

Urnov was formerly deputy head of the Russian Federation president's analytical center.

Afanasyevskiy Appointed Deputy Foreign Minister

LD1611201294 Moscow ITAR-TASS in English 1735 GMT 16 Nov 94

[By ITAR-TASS diplomatic correspondent]

[FBIS Transcribed Text] Moscow November 16 TASS—Nikolay Afanasyevskiy, 54, was appointed deputy Russian foreign minister on Wednesday [16 November], well-informed sources at the ministry told ITAR-TASS.

The newly appointed deputy foreign minister will be responsible for issues related to cooperation and security in Europe.

Afanasyevskiy returned recently from Belgium, where he worked as Russian ambassador extraordinary and plenipotentiary for more than four years.

The professional diplomat graduated from the Moscow State Institute for International Relations and thirty years ago he entered for the first time the multi-storied building of the Foreign Ministry at the Smolenskaya Square in Moscow.

He worked at embassies in Cameroon and France. He was at the head of the First European Department of the Foreign Ministry for several years.

When in Brussels, Afanasyevskiy combined ambassadorial functions with those of an official liaison officer for contacts with NATO.

Afanasyevskiy is good at French and English. He is married and has a son. His wife called Larisa plays violin at the orchestra of the Bolshoi Theater. His son called Aleksey studies at the faculty of computer mathematics and cybernetics at the Moscow University.

New Government Apparatus Chief Babichev Profiled

MM1711105594 Moscow IZVESTIYA in Russian 17 Nov 94 p 2

[Report by Irina Savvateyeva: "New Government Apparatus Chief Asks Not To Have His Policy Made for Him"]

[FBIS Translated Text] And so there is a new apparatus leader in the government. By mutual agreement between the president and the premier Vladimir Babichev, deputy general director of the "Gazmash" joint-stock company, has been named.

Vladimir Stepanovich Babichev was born 11 January 1939 in the village of Sadovoye, Kalmyk Autonomous Soviet Socialist Republic. He is a Russian. In 1956 he started work as a collective farm member. In 1962 he graduated from the Volgograd Institute of Municipal Economy Managers. Since then he has worked as a foreman and later as a work superintendent at the construction repair administration in Elista. In 1963 he became a chief engineer and later became deputy minister of municipal services in Kalmykia. In 1973 he graduated as an extramural student from the CPSU Central Committee Higher Party School. From 1974-1977 Babichev was chairman of the Kalmykia Council of Ministers. In 1981 he was secretary of the Astrakhan oblast party committee. In the same year he graduated from the CPSU Central Committee Academy of Social Sciences and became a candidate of historical sciences. In 1985 he became second secretary of the Astrakhan oblast party committee and in 1986-1987 he was a CPSU Central Committee inspector. In 1989-1991 Vladimir Stepanovich worked as first deputy chief of the CPSU Central Committee party building and cadres work department. In 1991 he became chief of the CPSU Central Committee department for legislative initiatives and legal questions. In 1990-1993 Babichev was a Russian Soviet Federated Socialist Republic Supreme Soviet deputy. He was elected from the Kalmyk Autonomous Soviet Socialist Republic. After the abolition of the CPSU Central Committee he worked as deputy general director of the "Gazmash" company.

Vladimir Babichev is a man well known to the premier: They are linked by their years of joint work. And not so much in recent years, which Vladimir Stepanovich has spent at the not very influential gas industry association (the "Gazmash" system includes enterprises producing domestic gas cookers and gas water heaters) as what were probably the best years of his youth. In the eighties Chernomyrdin and Babichev "raised up" the Astrakhan gas condensate complex together.

In an interview with IZVESTIYA Vladimir Babichev announced that he received Chernomyrdin's proposal at the end of last week. In general work in the apparatus was no longer part of his plans. But "Viktor Stepanovich is a man whom I have always trusted and had confidence in and if he believes that I can be of some benefit here then I am prepared to help him." The new government apparatus leader noted that he feels quite anxious in connection with his new appointment and is not sure whether he should be congratulated on it. At least he is preparing morally for "several sharp journalists wanting to see nothing but my 'partyocratic' past." Vladimir Stepanovich himself does not consider his past is like that: "I am a construction engineer by profession. I have been employed in economic work virtually all my life." He defined his political positions as the positions of a "centrist and creator," stressing that he will only continue the cause initiated by his predecessor, whom he speaks of with great respect.

In response to complaints about the excessive secrecy of the government apparatus regarding the press and society, the new leader answered with an evasive and aphoristic phrase: "There should be a sense of moderation in everything."

The appearance of Vladimir Stepanovich Babichev in the place of the legendary Vladimir Petrovich Kvasov attests to one important thing. To wit: The premier is becoming stronger in his desire to adhere to a course toward the economy's liberalization. After all, what has actually happened? A fellow fighter of many years, whom Chernomyrdin trusted absolutely, has been dismissed from a key post.

Information from the government apparatus gives grounds for supposing that Kvasov's resignation was by no means without the premier's knowledge and wish. Recently Viktor Stepanovich has been dissatisfied with the political activity of his apparatus' leader. Kvasov's political predilections are well known: He is linked with directors from "New Regional Policy."

It is not out of the question that Vladimir Petrovich could, in very subtle apparatus forms, engage in lobbying for the interests of his Duma colleagues (let me remind you that Kvasov is a deputy). In the present economic situation lobbying in large numbers is very dangerous to the head of government.

Spokesman Kostikov Resigns at Yeltsin's Request

LD1711101694 Moscow ITAR-TASS in English 1004 GMT 17 Nov 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow November 17 TASS—Presidential Spokesman Vyacheslav Kostikov told TASS on Thursday [17 November] that Boris Yeltsin made him resign, but that he remains in the team of democrats.

"I am satisfied with my talk with the president on the issue. The resignation was not initiated by me, but I clearly understood the position and the motives of Boris Nikolayevich. My resignation, as far as I understand, is caused by a broader personnel reshuffling manoeuvre which the president is undertaking according with his own political perspective", Kostikov said.

He added that the meeting with the president passed in a "hearty mood" and Boris Yeltsin asked him not to view the resignation as a "disfavour". "The president said that he proceeds from an understanding that I shall remain in the active reserve of democrats, in the active reserve of the president. On my behalf I cannot imagine a different approach", Kostikov said.

He hinted that the president may find a job for him abroad. According to the president, "he will take care himself about solving this personnel problem with due consideration of the political and diplomatic experience accumulated by me", he said.

"My main task now is to find a good professional for the post of the spokesman" of the president, Kostikov concluded.

Burlakov Not Yet Implicated in Corruption Investigation

LD1711110494 Moscow 2x2 Television in Russian 0730 GMT 17 Nov 94

[FBIS Translated Text] There are no facts to date to confirm General Burlakov's involvement in corruption with the Western Group of Forces, acting Russian Procurator General Aleksey Ilyushenko told Ekho Moskvy. He said that he intends to sign a letter in the next few days addressed to Sergey Yushenkov, chairman of the State Duma's Committee for Defense, which will outline—specifically and giving figures—what the General Procuracy and the Procuracy of the Western Group of Forces have done so far to investigate cases of corruption in the Western Group of Forces. Proceeding from documents available to date, Gen. Burlakov is not implicated in cases of corruption in the Western Group of Forces, Ilyushenko stressed.

Stepashin Denounces Zhirinovskiy's FCS Remarks

LD1611211894 Moscow ITAR-TASS in English 2051 GMT 16 Nov 94

[FBIS Transcribed Text] Moscow 16 Nov (TASS) Russian Counterintelligence Chief Sergey Stepashin viewed Vladimir Zhirinovskiy's attacks against Stepashin's subordinates as an "insult to professionals", Russian Television said on Wednesday [16 November]. Zhirinovskiy, Liberal Democratic Party (LDP) leader, made a speech at Wednesday's session of the Russian State Duma which focused on a report by Russian Interior Minister Viktor Yerin.

In fact, Zhirinovskiy accused 100,000 Russian counterintelligence officers of spying in favor of the United States, Stepashin said adding that their reaction will be very "strong". Their average age is 35, and they work honestly. This statement by the LDP leader is just spitting into their faces. On the one hand, this is the lack of thinking, and on the other - it is a policy which aims to disrepute the Federal Counterintelligence Service [FCS] and the Interior Ministry, Stepashin said.

Zhirinovskiy Criticizes Recent Government Reshuffle

LD1611192994 Moscow INTERFAX in English 1629 GMT 16 Nov 94

[FBIS Transcribed Text] The leader of the Liberal Democratic Party of Russia (LDPR) and its parliamentary faction, Vladimir Zhirinovskiy, has criticized the methods of forming Russia's government.

Zhirinovskiy told a news conference in Moscow Wednesday [16 November] that the current Finance Minister Vladimir Panskov had "long been kept in prison where he had mental disturbances," while Deputy Prime Minister Vladimir Polevanov appointed state property committee chairman on November 15 was "involved in a corruption case in the Amur region."

Zhirinovskiy described the idea of creating a Russian state as "a great provocation." He pointed out that it was necessary to abolish ethnic republics in the Russian Federation instead of creating "ghettos for Russians" dispersed all over the country. Nor did he support restoring constitutional monarchy in Russia.

Zhirinovskiy said he was satisfied with the "high level of his visit to the U.S. which was carried out on the level of reception of the head of government of a foreign state." He noted that "the U.S. had a far more effective democracy than Russia." He referred to the fact that U.S. electors could show their will and vote for Republicans two years after elections to the Congress.

Paper Comments on Polevanov Appointment

MM1711120094 Moscow IZVESTIYA in Russian 17 Nov 94 p 2

[Article by Boris Reznik and Irina Savvateyeva "using information from the IZVESTIYA Analytical Center": "Chubays' Protege Intends To Continue His Predecessor's Line"]

[FBIS Translated Text] Perhaps the most surprising of the series of unexpected government appointments was that of Vladimir Polevanov, former head of Amur Oblast Administration, as chairman of the Russian State Committee for the Management of State Property.

Vladimir Pavlovich Polevanov is 44 years old. He is a doctor of geological and mineralogical sciences. He has worked as a geologist. In October 1993 he became acting head of the Amur Oblast Administration. In December the same year he became head of the administration.

The piquancy of the matter derives from the fact that two weeks before the appointment, ROSSIYSKIYE VESTI, the newspaper of the Presidential Staff, published an article harshly critical of Mr. Polevanov. But when the same Presidential Staff issued the edict on Polevanov's new appointment, no explanations for that article were given.

Meanwhile, several days before the event the leaders of Amur Oblast acquainted IZVESTIYA's own correspondent with documents and facts thoroughly rebutting the article by Albert Krivchenko, former head of the oblast administration, in ROSSIYSKIYE VESTI.

By all accounts this article is a continuation of the deep conflict which broke out long before V. Polevanov replaced A. Krivchenko as leader of the oblast. They held different views on how to extricate the region from the economic crisis. Polevanov has the reputation of being a particularly pragmatic man. Krivchenko, however, launched his career on the wave of criticism of the communist legacy. (In the recent past he was a TASS correspondent in Amur Oblast). Forced to quit as head of the administration after the October events, Krivchenko became a leader of the Amur regional branch of the "Russia's Democratic Choice" party and constantly accused the representatives of the new power of incompetence and corruption.

Meanwhile, in an interview for IZVESTIYA, Vladimir Polevanov himself explained the essence of the conflict with the Amur Oblast democrats. In his view, the reason is that he refused to give high posts to people on the "bundles" of lists that Krivchenko and his associates presented to him "in the first month." Polevanov stated that in his choice of staff he was guided by the "two p's principle—probity and professionalism."

As a result the conflict continued to smolder until it exploded after the Russian Federation Supreme Court's decision on the restoration of the oblast soviet of deputies which had been abolished immediately after the October putsch. Polevanov did not hurry to implement this instruction, especially since the Russian general prosecutor protested the Supreme Court's decision. Then Krivchenko, together with representatives of other parties and movements, including the Communists and nationalists, signed a letter to Boris Yeltsin complaining about the oblast administration and demanding that the soviets be reinstated immediately.

However, the ROSSIYSKIYE VESTI article gave Polevanov's opponents great confidence: They expected the head of the administration's removal. The decision on their opponent's appointment as vice premier so stunned the Amur Oblast political elite that they still have not recovered from the news.

Meanwhile, at the State Committee for the Management of State Property itself, according to Arkadiy Yevstafyev, Anatoliy Chubays' adviser, they "tend not to believe" the article in ROSSIYSKIYE VESTI. Yevstafyev believes that Polevanov's opponents simply do not like his "social origins"—the fact that he did not belong to the former party-Soviet elite.

The vice premier's adviser announced that the former chairman of the State Committee for the Management of State Property "was involved from the very outset in the promotion of Polevanov's nomination" as his successor. This is because he considers him a resourceful man.

Yevstafyev is confident that there will be no changes in the privatization policy with the advent of the new head of the State Committee, nor will the pace of privatization slow down.

Communists Press for Early Presidential Election

LD1611152594 Moscow ITAR-TASS in English 1436 GMT 16 Nov 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow November 16 TASS—Communists will continue pressing for early presidential election in Russia. They are convinced that most political forces, including democrats, will support them in these efforts, Russia's communist leader said.

In an interview with TASS on Wednesday [16 November], Gennadiy Zyuganov expressed confidence that Sergey Shakhray, leader of the Party of Russian Unity and Accord, would follow the example of Yabloko's leader, Grigoriy Yavlinskiy, who has already backed this demand. Perhaps, even Yegor Gaydar, leader of Russia's Democratic Choice, will join them.

Zyuganov said communists have already collected over two million signatures in favour of early presidential election. He dismissed the allegations describing this as his party's propaganda campaign. He believes "the current leadership's course has gone bankrupt, and the president should be persuaded not to wait until 1996".

According to the communist leader, his party is not especially concerned over a possible resignation of the interior and defence ministers. "We suppose the current government is not able to handle the situation and therefore demand that it be fully replaced. But the main cause of the crisis should be looked for in the Kremlin", he stressed.

As for Defence Minister Pavel Grachev personally, who is expected to address the State Duma on Friday, Zyuganov noted that communists were not yet determined to demand his removal.

"We'll listen to him and see", the communist leader said, adding that the main target "is the Army rather than Grachev".

Gorbachev Disappointed by U.S. 'Eagerness To Keep NATO'

BR1511135594 Madrid EL PAIS in Spanish 15 Nov 94 p 11

[Interview with former USSR President Mikhail Gorbachev by K.S. Karol; place, date not given: "Current Regime in Russia Is Exhausted"—first paragraph is EL PAIS introduction]

[FBIS Translated Text] Boris Yeltsin's Russia is adrift. Mikhail Gorbachev, president of the USSR for six years, is not the only person to say so, but he is among those who believe that process can be curbed and proposes solutions. It is clear that he does not forget for a moment that he is a historic personality, awarded the Nobel Peace Prize for ending the Cold War and freeing mankind from the threat of a nuclear holocaust. He does not rule out his return to power in Moscow if the matter is put to him "vigorously."

[Karol] You have launched almost simultaneously the Social Democratic Union of Russia and a call for the election as soon as possible of all the country's executive authorities, from the president of the republic to mayors. How will your recently set up Union be able to meet these electoral challenges?

[Gorbachev] I am not trying to impose a new party. I wish to save what can still be saved in Russia. The current regime is exhausted; it will not reach the end of Yeltsin's term, in June 1996. Some of the "democrats" who brought him to power are seeking a Russian Pinochet to establish order in the country and save their regime. I do not agree, nor do most of the public, but if nothing is done, the regime will be swept away by the public, by the enraged masses, with the danger of a civil war. That is why I believe that the polls are the only democratic and peaceful solution which will spare us a bloodbath.

[Karol] But those who are in power know from opinion polls that their electoral base is very small, and so they have no interest in an electoral process...

[Gorbachev] I am not addressing them. I am calling on citizens to set up everywhere committees to organize the elections and monitor the holding of them. The current government does not inspire me with confidence, and I know that it will try to manipulate the polls.

[Karol] Your plan presupposes great activity on the part of the grassroots, but the population appearances must not be trusted or the government press believed. There was a big strike in Russia 27 October. Some 8 million workers stood idle in their enterprises without taking to the streets or causing incidents. Although is true that they launched that movement for economic reasons, against the delay in paying their wages, it is also true that they announced that, following this warning strike, the next strike will be political. Has the message been understood in the Kremlin? I do not know. What I do know is that people no longer allow themselves to be deceived by the rhetoric of the "democrats."

[Karol] Two years ago, movie maker Aleksandr Gavorukhin, now an opposition deputy, spoke in a pamphlet of "the great criminal revolution." Last month, the progovernment newspaper IZVESTYA used exactly the same term...

[Gorbachev] People have had enough. Sooner or later, they will present the tab to the thieves who are enriching themselves before their eyes. I, who am in favor of evolution—not a revolution which makes a clean sweep—propose that we test ourselves in the electoral field in order to decide whether Russia should or should not become a democratic country.

[Karol] Since the "specter of communism" has no longer been haunting the world, the West's ruling classes have been attacking some social gains which were deemed untouchable.

[Gorbachev] That is the reason they will lose. They are already losing ground in East Europe. I am now being asked to explain the Communists' return to power in Poland and Hungary, tomorrow in Bulgaria... Obviously, they are not Bolsheviks but reformers, social democrats like those in the rest of the world. Their success is to be explained by the miscalculations of those who believed that, following the fall of the Berlin Wall, even the very idea of social justice could be abolished in this part of the world.

[Karol] Are you not more critical of the Westerners now than at the time when you were in the Kremlin?

[Gorbachev] Together, we ended the Cold War. I do not forget this, and, obviously, I do not regret it at all, but I was hoping that advantage would be taken of it to do more for disarmament, and I was disappointed by the Americans' eagerness to keep, and even enlarge, NATO. What purpose will it serve for them? To isolate Russia? To strengthen their control over Europe? For my part, I have not changed my mind since I left the Kremlin: Europe is our common house and we must prepare it so that nobody will feel threatened or excluded. We need our own peacekeeping forces in order to interpose them between possible belligerents and, especially, in order to prevent wars such as those in the Balkans. Perhaps you will believe that I am repeating myself, but I firmly believe in the political resolution of crises. If everybody abided by this principle, the war in the former Yugoslavia could have been prevented.

Economic Issues

Duma Committee Approves Tax Reform Plan

LD1611212294 Moscow ITAR-TASS in English 1844 GMT 16 Nov 94

[By BUSINESS-TASS]

[FBIS Transcribed Text] Moscow November 16 TASS—Russia's State Duma Committee for Budget, Taxes and Finances has approved a plan of tax reform proposed by the government for 1995, but said it needs some correction.

The plan aims at easing the tax burden for the citizens by reducing taxes for the poor and increasing them for the rich.

The government has suggested raising the ceiling of income subject to the minimum level of taxation of 12 per cent to five million roubles. However, last summer the Duma adopted a law raising it to ten million roubles.

The tax on income over 50 million roubles a year will be increased from 30 to 35 per cent. The government has also proposed to levy a 30 per cent tax on all additional earnings, except from business activities.

The measures abolish tax privileges for gold miners, farmers, people working abroad and privileges connected with privatisation.

In addition, the government plans to reduce the number of taxes by abolishing the special tax for support of key industries, tax on transactions involving securities on the secondary market, tax for using the word "Russia" and others.

Final Part of Livshits Economic Analysis

MM1711110394 Moscow IZVESTIYA in Russian 12 Nov 94 p 4

[Final part of article by Aleksandr Livshits: "Where Are We Headed?—Russia's Economy in the Year 2000"; for first installment please see the Russian National Affairs section of the 15 November Central Eurasia DAILY REPORT, pages 22-26.]

[FBIS Translated Text] Tremendous efforts to overhaul the economic mechanism will be required over the next five years. And not only because quite a lot of nonmarket elements still remain in that mechanism. An important reason is the drastic alteration of the economic situation. Transition to the market and recession are one thing; a way out of the crisis and the onset of revival are another. It will be impossible to manage without purposeful actions on the part of the state. Claims that "reform from above" is already a thing of the past and that it can only progress "from below" make for dangerous self-delusion. If we defend this stance, then we will end up transferring all our savings into "MMM" and buying anything more sophisticated than a sledgehammer abroad.

VI.

Monetary privatization looks set to be extremely complex and crucial. If only because, after it, there will be nothing left to privatize. State wealth is not infinite, and if we squander it, there will never be another equally propitious opportunity to increase investment activity.

In terms of **investments**, reform policy in 1995-1997 must, of course, begin with savings, and, as such, with the suppression of inflation. It is essential to set in place the purposeful, and at times even austere, regulation of financial flows, encouraging them into the investment sphere. The time has come for those who shy away from such regulation, putting their trust only in market incentives, to realize: We do not live in Switzerland, but in post-Soviet Russia. Sow what we need to do is not to fine-tune the apparatus (that way we will not pick up anything), but rather to switch frequencies. Ahead of us is the weighty task of setting up an investment infrastructure (investment banks, nonstate pension funds, joint investments by the state and private business, consortiums of investors.)

The most important problem for 1995 is **to revive, albeit partially artificially, investment demand, particularly for output from the high-tech industrial sector** (leasing, amortization policy, the eradication of various types of concessions on imports of equipment, and so on.) Otherwise, the high-tech machine building complex may cease to exist. It simply will not survive until 1996-1997, when the natural replenishment of investment flows will take place.

There are no visible political motives which might impede all this. Much will be determined only by the efficiency of the government.

In 1995-1996 it will be necessary to define **a new strategy on foreign investments**. Yesterday we needed them more than they needed us; 1994-1995 will become the period of balancing aspirations; tomorrow the roles will be reversed. And it is essential to prepare for this. At least as seriously as our foreign partners.

On the one hand, it is necessary to draw in capital from abroad, **any legal capital**, including that which is on the run from high taxes. But this must be done only on an equal footing—native and foreign investors must have the same opportunities.

On the other hand, we are still heeding various scaremongers and self-styled prophets who regularly forecast economic catastrophe, and we are going to sleep at night with recession on our minds, while people in developed countries are getting up in the mornings with thoughts of the imminent revival of the Russian economy. In those countries right now they are taking preventive measures against the future expansion of Russian business. Caution is required, particularly in export sectors with firm positions on the world market. Some people come to us with one aim—namely to establish control over an enterprise and subsequently to restrict or even to halt production, ridding themselves thus of a dangerous rival. Russia's export potential in the 21st century, particularly for high-tech products, needs to be protected and developed. And it is essential to do this in the next few years, before monetary privatization is completed.

If we want to go on keeping inflation moderately low we cannot gamble on the mechanism of deferred budget payments. How much longer will this system go on? A year at most. After which, it will be halted by normal budget procedure.

In 1995-1996 it is necessary to set up and hone an **entire system of anti-inflationary regulation**. There must be one task at its center—the reduction and stabilization of inflationary expectations. The following must be rooted in people's minds: There is no more "easy" money blown into pockets and accounts by the wild wind of inflation; there is, and always will be, only "hard" money, acquired through labor. Everything else, including price dynamics, will follow.

We have every opportunity to bring this system markedly closer to that which operates in developed countries. It is a matter of an effective mechanism for coordinating government and Central Bank policy both on prices and on mechanisms. Such things as: Central Bank interventions on the currency market; the refinancing rate; transactions involving state bonds; level of reserves; policy in respect of government treasury bonds and promissory notes; the size of Central Bank credits to cover the Federal Budget deficit; the volume of funds offered for credit auctions.

There is no need for any more secrets, silence, or, more especially, grievances. Given that the Central Bank under Yeltsin is no less important than the State Plan under Stalin, it is wrong to trust only in joint statements and mutual representation. What is needed is a far more profound mechanism which functions well and which relies on law.

Although **tax reform** has become inevitable, it is obvious that it is better to have bad tax rules than rules which are constantly changing. And as such, the plan could be to adopt promptly—before the end of 1994—amendments to taxation legislation without orchestrating total changes and moving only on sensitive points, above all on unjustified privileges and the tax burden on producers (otherwise it will be too late, insofar as the deputies will embark on the election trail); to declare for 1995 a moratorium on any changes in taxes, preparing within this space of time an up-to-date Tax Code; and to adopt the Tax Code at the beginning of 1996, prohibiting any tinkering with taxes until 2000.

VII.

Now a word **about federal programs**. There is no need for a lot of federal targeted programs, especially those which exist only on paper, collapsing for want of money. There is no need, for instance, for programs to develop the agricultural sector of Central Russia. If only because, say, there is also the fish processing industry of Maritime Kray, livestock breeding in the Volga Region, or the Urals construction industry, none of which are any worse. So are we going to submit federal programs for these too? There is no need whatever to formulate any policy (social, investment, and so on) in the form of a program. Simply because policy is forever, and a program is for a specified period of time.

What we need are programs which are not spread across the whole economy, but firmly hammered out around the main task—helping investment and economic revival.

I realize how difficult it will be to do this when a whole brochure consisting purely of the titles of federal programs has been issued by the government. I am aware of the strength of sectoral and regional groupings favoring programs for the sole reason that money is sometimes given for them. I merely fear that, by moving along this well-worn path, we will overlook problems which we will have to pay dearly to solve at a later date.

And then there are the presidential programs. They are entitled to life and finance, but only within the framework of a special presidential fund openly prescribed in the federal budget. A nonbudget presidential fund of a purely humanitarian vein would also be good.

VIII.

On Social Policy. In 1995-1996, it is necessary as a priority to adopt fundamentals of modern labor legislation protecting the socioeconomic rights of employed persons, particularly in the nonstate sector. Given that they are often violated even now, the unpleasant political consequences are obvious, as is the temptation to exploit them in the 1995-1996 election skirmishes. Why, through our own sluggishness, turn pinks into reds, and reds into deep reds, and, more especially, increase their sway over citizens?

It is still essential to define the poverty line and a mechanism for the payment of federal benefit according to need, and to provide a normative base and incentives for developing nonstate forms of social protection.

In 1994, in respect of many consumer commodities, a situation took shape whereby producers were unable to sell (the price was a bit high) and consumers, for the very same reason, were in no position to buy. It is obvious that, when costs are squeezed from below, **consumer credit** becomes the way out. The more so as inflation is being kept at a moderate level and controlled. In 1995-1996, the process has to be encouraged by means of a normative base and incentives. The ultimate gain will be substantial, including for the state.

As of 1996 it would be possible to set about **compensating savings lost after 1992**. It could be that, in 1996, persons in possession of these savings will receive public loan bonds, which will gradually be repaid. When his turn comes around, the individual may agree to the repayment and take the money; refuse the repayment and settle for a regular interest payment; exchange the bonds for shares in enterprises; deposit them in an investment bank or pension fund; or join forces with friends and set up a new company. How quickly will a person's turn come around? It will all depend on what kind of money emission reserves are left to the Central Bank after its transactions with the government. The less money it lends to the government, the more the ruined saver will receive, and vice versa.

IX.

State administration is set to be reformed. So as to prepare for the onset of revival. What is acceptable for a transition economy is often not suitable for a normal economy, and vice versa.

Ahead lies the task of regulating the activity of natural monopolists, resolving once and for all the problem of tariffs for transport and electricity before 1996.

Another task is to devise a forward-looking system for managing state property in parallel with monetary privatization before 1997. But in the meantime it is essential at least to stop the "squandering" on the part of trusts managing blocks of shares which are in federal ownership and the profits from them. I repeat: What is required is a system, a new structure, responsible for the management of federal blocks of shares.

And it has to be created with a clear understanding that the management of state property is not only the sale, and at times not so much the sale, of state assets, as much as the purchase of shares and other securities in nonstate companies. There must be no place for ideological symbolism in regulating the economy. Here only expediency must reign. And when temporary nationalization with subsequent reprivatization is deemed useful, when this is more beneficial than irrevocably disappearing budget allocations, then there is no point in turning up our noses. It has to be done. It would be good, say, if the Central Bank, using the instruments at its disposal, could avert large-scale banking crises. And if it cannot? What then?

By 1995 we need to have a normative base and organizational **nationalization** mechanisms with a view to putting them into operation when the need arises.

It will be necessary, before 1998, to settle the fate of temporary structures of the transition period, such as Roskommash or Rosagrosnab. Meanwhile, it is essential to refrain from creating new state structures; the smaller the pile, the easier it will be to cast aside at a later date.

What is needed is a **conversion mechanism** with the accent upon state support for dual-purpose technologies. In general, the reorganization of the defense complex will take a fair amount of time, and it is unlikely to be within the capacity of any department. What will be required is a special interdepartmental commission and an appropriate normative base.

In the **agrarian sector** it is possible to place the following within the category of what remains to be reformed: the formation of regional wholesale markets, the transformation of agricultural commodity producers into joint proprietors of processing enterprises, credit using produce as collateral, demonopolization of the infrastructure (wholesale trade, processing, banks), and the reduction of trade markups with a view to increasing the producers' share in the final price. It will be necessary to construct a system for protecting national producers from the intervention of cheap foreign foodstuffs, particularly if foreign governments back this intervention. If they openly support their own guys, it is unseemly for us to bow to this. National interests have to be defended by effective means.

All this can be done without particular political tension. The **land market** is another matter. Here there is an argument for moving only along the boundary of political feasibility, striving not to overstep it. Next year it is absolutely essential to achieve the sale of land plots on which enterprises are built. The rest can be done later. And this is not because there is a plethora of agrarians in the Duma. As yet many governors are still negatively inclined toward this, and they cannot be ignored.

In 1995-1996 it will be essential to set **bankruptcy mechanisms** going in full. All its participants must be clear about what exactly happens and how quickly once an enterprise has hit the bottom, and the court has established this fact. The task at hand is to create a whole sector of the economy engaged in the sale of property passing to creditors. If a bankrupt bath-house is hopelessly in debt to an enterprise and the latter is no need of it, then there must be a firm which can be entrusted with the management of this bath-house.

As for **regional problems**, it is an unacceptable luxury to expect some kind of super-document regulating the demarcation of areas of joint jurisdiction under a uniform procedure. It is too costly. What are needed are agreements between the center and the regions. And indeed they will differ. But it is better to have a strong, clear, and asymmetrical federation than the one we have now—a sickly, vague, albeit partly symmetrical federation.

X.

Other areas of reform in 1995-1997:

—the completion of the reform of state enterprises;

—the reorganization of that portion of enterprises under the ownership of labor collectives, and their transfer to the ranks of open-type joint-stock companies with the aid, for instance, of special incentives in the form of tax exemption on any transactions pertaining to the sale of shares in such enterprises;

—securities and real estate markets;

—wholesale trade (taking a good look at what is taking shape in this "shady corner" of the economic mechanism and imposing order there is long overdue).

XI.

In the second half of the 1990's we will make many mistakes, of course. Among the most likely are:

—the creation of propitious conditions of sale for individual enterprises via the forcible "attachment" of consumers from the state sector;

—the composition of an indicative plan for the development of Russia's national economy;

—the introduction of strict quotas on imports;

—government [kabinetnoye] regulation of the financial market; the creation of a perfect plan for laying roads in places where it would be better simply to asphalt the sidewalks along which people find it more convenient to run to the bus shelter;

—direct tax incentives to increase physical volumes of production;

—the imposition of systems of administrative restrictions on income and price hikes.

The outlook here is as follows: We will introduce these ideas, upset citizens, realize that these ideas are not working, and then renounce them. So why bother? Because, although people in Russia respect world experience, including the negative aspects, everybody likes to try for themselves. And I am not sure that even one of the aforementioned will be successfully avoided in the next five years.

XII.

There is no point in writing about what is good—better to feel it. On the other hand, difficulties are best foreseen. What misfortune awaits us in five or six years' time, or maybe even earlier? **I am not talking about the consequences of mistakes, but about events which could occur as a result of sluggishness in reform and a shortsighted policy.**

I am convinced: The main brake on reform, the main obstacle on the road to its successful completion by 2000, will be not the left or the right, not the reds or the whites. The most likely hindrance will be the structures (state and private) which have emerged during the transition period, having grown used to a fluctuating and unstable environment, knowing how to function only within that environment and harboring an interest in prolonging this period indefinitely. Among these are the offshoot of the distributive system which has become a joint-stock company and continues stubbornly to retain control over the market; the dormant plant with connections in the state apparatus which continues to suck the budget dry; the semi-criminal private bank; the aggressive financial company with the morals of the era of the American Wild West which categorically disagrees that Russia is not the West, nor, more especially, is it wild. They will give money to anybody who promises staunchly to protect their interests.

The following are highly probable:

—the stoppage of enterprises for reasons of a high degree of deterioration of fixed capital;

—mass bankruptcies of banks, fraught as these are with social consequences;

—the demise of a number of enterprises under the ownership of labor collectives;

—the seizure by foreigners of major raw material enterprises, possibly undermining the country's export potential;

—the destruction of a number of sectors of the economy owing to the uncontrollable influx of imported products and the lack of a distinct structural strategy;

—disturbances at floated enterprises prompted by blanket violations of the individual's socioeconomic rights.

These problems have to be erased logically, without waiting for either "Black Tuesdays" or "Red Wednesdays."

XIII.

I do not think there will be any success in the coming years in forming a government capable of conducting a policy in which the interests of the various sectoral blocks and financial groups will optimally combined. It will, of course, think about the economy as a whole, but it is not possible to consider one bloc or group more than another. And so, what is needed is a form of rotation: Let one government revive its favorite sector on condition that the other sectors remain afloat and do not collapse into oblivion, then it will be replaced by another government with its favorite sector and with an obligation to fulfill the aforesaid condition, and so on.

XIV.

It is already possible to see five key economic-political topics (the situation on the domestic market, the rights of the employed, the interests of investors, corruption, the position of engineering and technical personnel), a stalwart pentagon of election platforms which is very likely to meet with the sympathy of many voters in 1995-1996. As for the problem of defaulting, its politicization is unlikely. Nobody has the golden key to the door to payment and settlement paraside. And those who start to boast of keys to rusty locks opening the gates to the absolution of all payment sins and unchecked inflation risk becoming political outsiders.

What we need are intelligent answers. These answers will either be provided by the reformers, or else by those most serious contenders for power. Actions are needed to seize the political initiative.

The forecast and the scenario do not look too optimistic, particularly in respect of inflation and investments. It would be more correct to expect the worst and obtain a result which is somewhat better, than vice versa.

XV.

As the year 2000 approaches, the time of monetary reform will begin. They will call in V.V. Gerashchenko. He will conduct this reform. And he will be right.

Abrogation of U.S. Discriminatory Measures Urged

LD1711103294 Moscow ITAR-TASS in English 0924 GMT 17 Nov 94

[By ITAR-TASS]

[FBIS Transcribed Text] Moscow November 17 TASS—Oleg Davydov, Russian minister for foreign economic relations, when meeting a delegation of the U.S. Department of Commerce in the ministry here on Wednesday, raised urged [as received] the abrogation of U.S. discriminatory measures, the anti-dumping legislation, in particular.

Davydov told U.S. delegation leader Jan Kalicki about measures which have been taken to improve the investment climate, to attract foreign capital and resolve specific problems connected with American companies' operation in Russia.

The Russian ministry representatives and U.S. delegation members also considered preparations for a Gore-Chernomyrdin commission meeting, scheduled to be held in Moscow on December 14-16, Russia's accession to GATT, and other matters concerning Russian-U.S. economic relations.

Government Continues Price Liberalization

LD1711122694 Moscow ITAR-TASS in English 1211 GMT 17 Nov 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow November 17 TASS—The Russian Government decided on Thursday [17 November] to drop state regulation of prices on goods produced by all organisations and enterprises regardless of their form of property from the end of November, but retained fixed tariffs on transporation, fuel, housing, medicines.

Thus the government further decreased the list of goods with fixed prices. The state will continue to regulate prices on natural gas and oil, electricity, use of pipelines and other fuel transportation systems, products of defence enterprises, precious metals and stones, railway transportation and servicing of airplanes.

Besides, the state will fix the rent and prices on communal services, funerals, hard fuel sold to the population, as well as on medicines.

First Deputy Prime Minister Anatoliy Chubays told the government that the decision to further free prices results from the 1995 draft budget.

Central Bank Increases Interest Rate For Loans

LD1711094194 Moscow ITAR-TASS World Service in Russian 0820 GMT 17 Nov 94

[By BUSINESS-TASS]

[FBIS Translated Text] Moscow, 17 Nov (ITAR-TASS)—From today, the bank rate of the Central Bank of the Russian Federation [CBR] on loans granted to commercial banks in accordance with all new and all extended credit agreements has been set at 180 percent, the press service of the CBR told a BUSINESS-TASS correspondent today.

On existing credit agreements the rate remains unchanged at 170 percent a year.

Price of Basic Foods Rises, Production Falls

LD1711101494 Moscow Ostankino Television First Channel Network in Russian 0752 GMT 17 Nov 94

[From the "Novosti" newscast]

[FBIS Translated Text] In Russia, the average price of the 19 most important foods basket has increased by 17 percent as compared to last month. The West is already sounding the alarm. It was noted in the November report of the UN secretary general that the production of food per capita in the former CIS [as heard] countries has decreased by a fourth in the last four years alone. This has had a negative effect on world food security indices.

Food security is also tested in specific emergency situations. In our country, this includes both natural disasters and winter, which can unexpectedly create extreme conditions for us.

Military & Space Issues

Soskovets Criticizes Defense Ministry on Spending

LD1611214994 Moscow ITAR-TASS in English 1848 GMT 16 Nov 94

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Transcribed Text] Moscow 16 Nov (TASS)—Utter chaos prevails in the field of state purchases of materiel sold by enterprises of the military-industrial complex, First Russian Vice-Premier Oleg Soskovets told a sitting of the State Duma's committee for industry, construction, transportation and energy on Wednesday [16 November].

Soskovets criticized the Defence Ministry severely on the ground that it worked "as in the old times".

To corroborate his words, he cited the following examples: Several enterprises of the military-industrial complex, which specialize in turning out materiel for missile detachments, had to discontinue their work. A total of 32 submarines also cannot be used for lack of batteries. Aviation plants virtually stopped production of the TU-160 bombers.

"Critical situation prevails in almost all the fields, related to materiel production," Soskovets emphasized.

According to Soskovets, the government will discuss the situation within the next few days.

Russian President Boris Yeltsin commissioned Soskovets to report to him personally on the situation with state order for materiel and equipment for the armed and naval forces before November 20.

Kolesnikov on Setting Up Bases in Georgia, Armenia

LD1611223494 Moscow INTERFAX in English 1937 GMT 16 Nov 94

[FBIS Transcribed Text] Russia plans to set up four military bases outside its territory in 1994, three in

Georgia and one in Armenia, Chief of General Staff Mikhail Kolesnikov said at a briefing in Moscow Wednesday [16 November]. He said that this decision had to be recorded in an intergovernmental agreement. Kolesnikov made it clear that this issue had been virtually resolved with Yerevan but needed negotiations with Tbilisi.

He said that Russia would maintain its 201st Motorized Division in Tajikistan.

In his view, it would be unrealistic now replace the eight military districts with four territorial boards because the army was short of funds for this kind of restructuring.

Armed Forces Top Command Conference Concludes

LD1611165194 Moscow Mayak Radio Network in Russian 1514 GMT 16 Nov 94

[FBIS Translated Text] A news conference held by Chief of Staff Colonel General Kolesnikov has just finished at the Defense Ministry. Our observer Viktor Levin reports the details of its outcome by telephone from the ministry.

[Begin Levin recording] The news conference was devoted to the outcome of the three-day conference of the top command of the Russian Armed Forces. The main result, according to General Kolesnikov, was that there was nothing unexpected. An ordinary, routine conference took place with the participation of the Russian Federation president, the premier, and a number of ministers; the chief of staff noted this as a good tradition. A frank, very good and useful conversation took place.

The chief of staff noted the close, businesslike contact between the military command and local adminstrations. He cited as an example the Volga Military District which is located on the territories of a number of component parts of the Russian Federation. He described its relations with local authorities as excellent.

General Kolesnikov described the army's main problem as: money, money, money. Without it, it is extremely difficult to solve problems, both social problems and the provision of military hardware to the troops. The Defense Ministry received only 70 percent of the amount it should have received during the first nine months of this year. And this, of course, influenced the whole state of affairs.

We have, the chief of staff said, an excellent nuclear fleet. We have things to be proud of. But money is needed. If we have money, radioactive waste will be reprocessed—there are already two sites which work very well—but we need money to build a third and fourth, General Kolesnikov said.

Journalists touched on the forthcoming statement by Defense Minister Grachev in the State Duma. The chief of staff said that the minister is making thorough preparations. He feels confident but, General Kolesnikov said, not self-assured. If certain individuals in the State Duma refrain from artificially whipping up the situation, a useful conversation could take place. The army is working under difficult conditions, but calmly and confidently. The chief of staff cited this example. During the last two and a half years the army has been reduced by 904,900 men, this did not happen suddenly, it all happened according to plan, and it is better to do these things fairly calmly.

The question of the KGB was also touched upon. In connection with this, General Kolesnikov noted that a number of the mass media are forgetting the principle of presumption of innocence. They are drawing hasty conclusions which only the court should make.

Colonel General Burlakov spoke at the end of the conference. His emotional, well-argued speech made a convincing impression, according to General Kolesnikov. [end recording]

Two More Defense Plants Reported on Strike

MK1611131094 Moscow SEGODNYA in Russian 16 Nov 94 p 2

[Report by Andrey Nikolayev under the "Debts" rubric: "Another Two Defense Enterprises Go on Strike. Russian Federation Defense Ministry Ready To Pay Up Debt Only in Promissory Notes"]

[FBIS Translated Text] Some 3,000 workers of the "Kurganpribor" industrial association launched a warning strike yesterday triggered by the administration's refusal to pay them wages for the past five months.

The production association workers reported to work in the morning, announcing they were going on strike at the decision of the trade union organization in order to rescue the rapidly collapsing enterprise, which once upon a time was "prosperous and efficient," by making the public aware of their plight. To make this possible, the strikers think, the administration should pay them their wages for five months, worth more than one billion rubles. The trade union committee calls for higher wages at the production association to match the official subsistence level and for providing all its workers with jobs.

The administration will hardly be able to meet the strikers' demands even partially. Your SEGODNYA correspondent has been told in the Kurgan Oblast trade union council that the Defense Ministry, to all appearances, is not going to pay for the military products produced by "Kurganpribor." Vil Alekseyev, "Kurganpribor" production association general director, who has repeatedly been given no-confidence votes at trade union meetings and conferences, recently refused to sign a collective bargaining treaty which, the trade union committee thinks, enables him not to honor commitments to hired workers. Therefore the strikers stated that the strike at the production association will become indefinite beginning 23 November.

In the meantime, the hunger strike by more than 20 trade union activists at the Ural Electromechanical Plant (UEP) is in its third day. The main demand of the trade union activists is to have wages backlogged since June paid and to provide work for the work collective. Meanwhile, according to INTERFAX, the action is not directed at the UEP administration but at the Russian Federation Defense Ministry, which has voiced readiness to pay its 5-billion-ruble debt in promissory notes.

Gals Satellites Boosts Number of TV Channels to 40

LD1611211794 Moscow INTERFAX in English 2020 GMT 16 Nov 94

[FBIS Transcribed Text] The Inforkosmos and numerous Russian research institutes, manufacturing companies and commercial structures are capable of bringing the number of TV channels in Russia to 40 by using the Gals space telecommunication system, Inforkosmos Director General Igor Tsirlin, member of the Russian Academy of Sciences, said at a news conference in Moscow Wednesday [16 November].

As few as six geostationary Gals satellites would provide stable television links throughout the former USSR, he said. Small individual antennas 0.6 to 0.8 meters in diameter and costing about $500 apiece will receive signals from the satellite.

Use of foreign-made digital signal compression hardware, Tsirlin said, will increase the number of relay TV centers in the decimeter range from nine to 40 per satellite. The system will become operational in 1997 if the project is properly financed.

Media Issues

Press Committee's Gryzunov Hits Draft Media Law

MM1711141594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 16 Nov 94 p 1

[Interview with Sergey Gryzunov, chairman of Russian Federation Committee for the Press, by Olga Gerasimenko; place and date not given: "Poltoranin and I Are in Different Boats"]

[FBIS Translated Text] [Gerasimenko] Sergey Petrovich, what is your attitude to the law that is being prepared on state support for the mass media?

[Gryzunov] Apart from shortcomings of a juridical nature, this draft law contains at least two sections which do serious harm to the Russian mass media. These are the sections on privatizing the infrastructure and setting up a national fund in support of the press. From my viewpoint, the main purpose of this draft law is not to give real support to the mass media but to transfer a considerable part of the press, publishing complexes, printing combines, and television and radio broadcasting corporations to the control of one political grouping. It is obvious to me that the State Duma's decision to set up a national fund, to whose operational management it is proposed to transfer most of the infrastructure, with the right of subsequent buy-back, represents an attempt by certain political forces on the eve of the elections to trample down the press and, above all, the democratic mass media.

Today periodicals are experiencing in full measure the pressure of monopolism in the Russian economy: The prices of paper, printing services, and services relating to the transportation and delivery of the mass media to the mail network have reached a level which makes us say that certain state enterprises are smothering the press. This circumstance, combined with the drop in the population's living standards, is artificially pushing the readership market toward regionalization based on the principle of the mass media's affordability. Today it is almost impossible even for a respectable federal publication like IZVESTIYA to compete with local publications in East Siberia, for example, because of the hiking of the price. In these conditions the concept of a nationwide press practically ceases to make sense.

In this connection indignation is caused by the fact that the draft law on state support for the mass media has been prepared for adoption. It has been prepared hurriedly, lobby-style, without open, honest discussion or regard for the opinion of actual representatives of the mass media. Moreover, even with references to the supposed fact that the press supports the concept advanced by the Duma and the Duma committee. On the eve of the Duma session, however, a considerable group of chief editors of the leading Russian mass media gathered in the Federation Council. They drew expert conclusions then. I was present there, and in the course of a three-hour discussion I did not hear a single voice in support of the Duma's idea. It is surprising that all this sailed past the lawmakers' ears, as it were. Why? Two positions clash: One is the position of those with an interest in still greater statization of the mass media, and the other (this opinion is expressed by the Committee for the Press) is that of those with the opposite interest. In addition, I want to tell you that the Duma's draft law runs counter to the principles of freedom of the press.

[Gerasimenko] Do you confer frequently with Mikhail Poltoranin? When did you see each other last?

[Gryzunov] I do not want to speak of our personal relationship. As for work.... I have already stated in public that we are obliged to cooperate, whether we want to or not, because we operate in the same sphere relating to journalism and book publication. Therefore we cannot pretend that one or the other does not exist, for this would harm the cause. Here we must cast aside any personal aspects.

[Gerasimenko] In that case, how do you rate Mikhail Poltoranin's statement?

[Gryzunov] I believe that there has been a final break with the ideas that were advanced three years ago. Those ideas were personified in the figures of the president of the Russian Federation and his government. Here is an interesting thing: The people who worked out those very ideas and tried to implement them today find themselves in a different boat and are acting against their former allies. In my opinion, this is incorrect.

Federal Assembly

Federation Council Approves Voting Rights Guarantees

LD1611185894 Moscow ITAR-TASS in English 1715 GMT 16 Nov 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow November 16—The Federation Council, the Upper Chamber of the Russian legislature, approved on Wednesday the law "On Basic Guarantees of the Russian Citizen's Voting Rights." The law is considered to provide basics for Russia's entire legislation on election.

The document establishes guidelines for organizing presidential and parliamentary elections in Russia, as well as elections to some other bodies of federal government.

The law also regulates procedures for drawing up electoral rolls, forming electoral districts, calling election committees, nominating and registering candidates, and for election financing and campaign. Sanctions against voting rights' violators are also set forth.

Ratifies Dangerous Wastes Convention

LD1611144694 Moscow ITAR-TASS in English 1424 GMT 16 Nov 94

[By ITAR-TASS correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow November 16 TASS—The upper house of the Russian Parliament—the Council of the Federation—has endorsed the bill "On the ratification of the Basle Convention on controls over the trans-border shipment of dangerous wastes and their disposal", earlier approved by the State Duma. The Council stressed that the convention "provides a universal international mechanism for global control over the trans-border shipment of dangerous wastes and meets the interests of Russia". The document, ratified by sixty countries, entered into force in May 1992. It will help stop the unlawful import of dangerous substances into Russia.

The Council recommended the Russian Government to work out and implement a set of measures to tackle all the problems linked with the fulfilment of international commitments by the Russian side, including a ban on the import of dangerous wastes into the territory of Russia and endorsement of a list of dangerous wastes, which are to be barred from crossing the state border of the Russian Federation. It was noted that the State Duma was currently drawing up a bill to ensure "the safe handling of dangerous wastes, envisaging criminal and administrative responsibility for the unlawful transportation of such wastes across the territory of Russia".

The Council of the Federation has also ratified the treaty between the Russian Federation and Germany on cooperation and mutual assistance between the customs services of the two countries and an agreement between Russia and Austria on trade and economic cooperation. These documents were earlier approved by the State Duma.

Approves Bill on Aid to Refugees

LD1611142294 Moscow ITAR-TASS in English 1401 GMT 16 Nov 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow November 16 TASS—The upper house of the Russian Parliament—the Council of the Federation—today endorsed a bill "On the ratification of the agreement to aid refugees and displaced persons", previously approved by the State Duma. The agreement was signed here at the end of September by the heads of the CIS countries, except Moldova and Ukraine.

In the opinion of Vadim Gustov, chairman of the Council's Committee for CIS Affairs, and Galina Karelova, chairman of the Committee for Social Policy, this document "defines the term refugee and displaced person in full conformity with the generally recognised norms of international law and with due account of the specific conditions on the territory of the former Union". The agreement creates a single legal basis for the solution of problems linked with forced migration. It pursues the purpose of approximating the national legislations with due account of the socio-economic situation in the CIS republics. The adoption of this document is particularly timely for Russia, because, in expert opinion, it can expect to get soon about 2-3 million new immigrants from the newly independent states. The agreement also includes an official commitment of the signatory states to pay the refugees compensation for their abandoned housing and property, and stipulates mutual settlements linked with spendings on the upkeep of migrants. The sides have assumed a commitment, for the first time in the history of their multilateral relations, to set up an inter-state fund to aid refugees and displaced persons.

Then the mps approved a package of bills on the ratification of an agreement to regulate the process of migration and to protect the rights of migrants, which Russia had concluded with Georgia, Tajikistan, Turkmenia, and Latvia. The council ratified the agreement between the Government of the Russian Federation and Estonia to help people wishing to migrate from Russia to Estonia and vice-versa. The Council approved the bills to ratify the agreement between Russia and Turkmenistan on dual citizenship, the agreement between the Russian Government and the Latvian Republic on the social protection of Russian military pensioners and their families, residing on the territory of Latvia, and a bill on the ratification of the treaty between Russia and Latvia on the terms, timelimits, and procedure of the withdrawal of Russian troops from Latvian territory and their legal status during the withdrawal period.

Fails to Approve Civil Code

LD1611150594 Moscow ITAR-TASS in English 1345 GMT 16 Nov 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow November 16 TASS—The Russian parliament's upper house, the Federation Council, refused on Wednesday [16 November] to approve the first part of Russia's civil code because of some objections to chapter 17 dealing with land rights.

Most objections were provided by members of the committee for agrarian policy, who believe that parliament should first pass a land code. This committee was instructed to set up a conciliation commission to continue working at this central document in cooperation with parliament's lower house, the State Duma.

Duma Adopts Law on Fighting Organized Crime

LD1611182194 Moscow ITAR-TASS in English 1634 GMT 16 Nov 94

[by ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow November 16 TASS—The Russian State Duma adopted on Wednesday [16 November] a law on fighting organised crime on Russia.

The law—devised by Viktor Ilyukhin, chairman of the Duma Committee for Security, and committee members Valeriy Kolmakov and Vladimir Ilyukhin—was supported by 235 deputies.

The law is based on a concept considering organised crime as a manifold phenomenon which manifests itself in the form of criminal structures characterised by different degrees of hierarchy and social danger. The most dangerous is organised crime, including criminal organisations and groups of criminal organisations.

The law says that the fight against organised crime will be conducted by specialised units of the Interior Ministry, the Public Prosecutor's Office, the counterintelligence service, customs officers and tax police. A special committee accountable only to the Federal Assembly will deal with especially dangerous organised criminal structures.

To Resume Debate on Crime 18 Nov

LD1611150094 Moscow ITAR-TASS in English 1437 GMT 16 Nov 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow November 16 TASS—Russian lawmakers will resume discussions on emergency measures aimed at stepping up struggle against crime on Friday, November 18.

Today, the discussions continued till noon. The State Duma's committees for security, legislation and judicial and legal reform, and certain factions circulated six draft resolutions among the lawmakers.

The security committee was authorized to sum up on the proposals voiced by lawmakers during discussions and draw up a generalized draft resolution on the issue, which will be discussed at the next plenary session of the lower house.

In particular, lawmakers proposed to adopt as soon as possible draft laws "On the fundamentals of public service in the Russian Federation", "On fighting against corruption", "On struggle against organized crime", "On state protection of judges, officers of law enforcement and controlling bodies", "On state protection of the injured parties, witnesses and other persons involved in the judicial procedures", as well as the criminal code and the criminal and procedural code of the Russian Federation.

Certain lawmakers declared for requesting that President Boris Yeltsin and the government take urgent measures aimed at carrying out the federal programme for intensifying struggle against crime, which was approved on May 24, 1994.

Interior Minister Yerin Addresses State Duma

LD1611135794 Moscow ITAR-TASS in English 1332 GMT 16 Nov 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow November 16 TASS—Despite some drawbacks in their work "the Interior Ministry bodies nevertheless are capable of controlling the situation and under certain conditions enhancing the effectiveness of their activities," Viktor Yerin, interior minister of the Russian Federation, told the State Duma here today.

He specified that these necessary conditions should be first of all the improvement of legislation and the rise in the level of material and technical support of the law enforcement bodies.

Reporting to deputies of the lower house of the Russian Parliament, Viktor Yerin characterized the present state of the struggle against offences giving some examples.

According to him, a number of crimes and acts of terrorism were averted. "Five members of a criminal group were arrested who extorted one million U.S. dollars threatening to poison the water system in the city of Vladimir with cyanide of potassium".

"Measures have been taken to intensify struggle against corruption. Specifically, over 14,000 crimes in public office have been exposed," the interior minister stressed.

The number of revealed facts of bribery increased 14 per cent, over 800 officials who violated law were exposed in the state service system, he noted.

Criminal proceedings were instituted against the deputy head of the administration of the Magadan region and his four subordinates who "received 13 flats and several garages for illegal allocation of about 600 million roubles from budget funds to commercial organizations", the minister said.

The head of the chief department of the Ministry of Agricultural Industry was arrested for receiving a ten million bribe for the unlawful mercenary distribution of credits, Viktor Yerin noted.

"A number of corrupted officials in territorial committees for controlling property and property foundations of Moscow, St. Petersburg, the Moscow, Oryol and other regions were exposed," the interior minister said.

According to the minister, the struggle against drug dealers was carried out more effectively.

Over 100,000 crimes in the economic sphere were uncovered. The number of exposed unlawful transactions connected with currency values has grown by two thirds, Viktor Yerin remarked.

According to the head of the law enforcement bodies, "the Interior Ministry carry out large-scale preventive operations on a regular basis. Measures have been taken to ease criminal tension in the transport service".

Characterizing the state of youth crime in Russia, Viktor Yerin noted that the ministry "has not yet managed to attract attention of all state and public organizations to the problem of its growth".

Special attention, the interior minister said, is being devoted to the strengthening of discipline and legality, exposing and taking legal action against officials abusing their office.

"This year 500 officers of law enforcement bodies were accused of corruption and were put on a trial by court," Viktor Yerin pointed out.

'Number of Grave Crimes Growing'

LD1611150694 Moscow ITAR-TASS in English 1354 GMT 16 Nov 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow November 16 TASS—"The total number of breaches of the law, committed in Russia, is decreasing, but the number of grave crimes is growing," the Russian State Duma was told today by Interior Minister Viktor Yerin. He was invited to the current plenary meeting of the lower house of the Russian parliament which is currently discussing urgent measures to step up the struggle against crime and to ensure the personal safety of Russian citizens.

Taking the floor, Yerin noted that the number of well-organised and insolent crimes was increasing. Cases of hostage-taking have become more frequent and the number of ordered murders has increased. Nevertheless, the total number of crimes, committed during the past year, was 4 per cent smaller, meaning a decrease of 2,200,000. The minister stressed that many criminal groups were now trying to infiltrate the economic world. Some banks had joined the criminal sphere, which also affects many foreign economic transactions. Organised criminal groups now monopolise the drug business, Yerin noted.

Street offences, he stated, have become less frequent in 65 regions of the country, a drop of 14 per cent across the Russian Federation. The militia was able to disclose 204,000 crimes more than last year, which signifies an increase from 49 to 59 per cent.

At the same time, Yerin admitted that the contribution made by law enforcement bodies to the struggle against crime was so far inadequate, compared to the threat it poses. "The reform of the interior structures is not proceeding as fast as we would like to," the minister noted. The militia, he stressed, is now badly in need of a modern legislation, timely and full financing of its operations, and proper technical equipment.

Yerin described several concrete cases when particularly dangerous criminal groups were rendered harmless, stressing that 162 militiamen were killed in action this year and 388 others were wounded.

"At present," the minister noted, "efforts are being exerted to reinforce the militia by new personnel and the training of militiamen is being perfected. At the same time, relentless struggle against corruption is being waged within the system of the Interior Ministry." Yerin said that more than 500 militiamen, charged with corruption, were put on trial in the course of this year.

Comments on Militia Pay

LD1611145494 Moscow ITAR-TASS in English 1425 GMT 16 Nov 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow November 16 TASS—"I have never favoured self-evaluations," Russian Interior Minister Viktor Yerin replied to an MP, who expressed doubts concerning his ability to direct the work of his ministry. Yerin today addressed the State Duma, which is currently discussing urgent measures to step up the struggle against crime and to ensure the personal safety of citizens of the Russian Federation.

Yerin assured the lower house of the Russian parliament that the law enforcement bodies had concrete plans to curb crime in keeping with the tough demands, recently voiced by President Boris Yeltsin. He said that special attention would be given to organised crime, and to the prompt disclosure of crimes.

Acknowledging the correctness of several critical statements spearheaded against the law enforcement bodies, the minister nevertheless warned the MPs against attempts to groundlessly slur the actions of the Russian militia. "The same black paint should not be used to smear all the militiamen," he stated.

Yerin called the Duma's attention to the fact that the money allocated to the Interior Ministry from the budget was being spent most thriftily. He noted that only 4.5 trillion roubles were so far received by the Interior Ministry, although, according to the budget, it is to get 5.9 trillions this year. "The pay of a militiaman," the minister said, "ranks among the lowest in the country, amounting to only 250,000 roubles a month." He expressed gratitude to the heads of administrations and leaders of subjects of the federation, who sometimes find money from their own sources to aid the Interior Ministry's personnel.

Discusses Fight Against Crime

LD1611234794 Moscow Russian Television Network in Russian 2038 GMT 16 Nov 94

["Excerpts" of speech by Interior Minister Viktor Yerin at State Duma in Moscow on 16 November; from the "Debates" program—recorded]

[FBIS Translated Text] A package of additional measures, supported by the president and government of Russia, has been carried out at federal and regional levels to guarantee law and order and legality in the country and to preserve the inalienable rights of the people of Russia to the inviolability of property and the person which are guaranteed by the constitution of the Russian Federation. These tasks are being tackled on the basis of the federal program for intensifying the fight against crime for 1994-1995.

In this connection one must mention an increased interest by the law-enforcement bodies and leaders of republics, krays, and oblasts to the problem of strengthening law and order. With their active participation, local programs for intensifying the fight against crime have been adopted and are being carried out in most regions.

A package of measures has been carried out aimed at increasing the numbers of the law-enforcement forces in public places in line with the Russian president's decree on police and public safety.

Street crime has gone down in 65 regions. For example, in Tatarstan by a quarter, in Krasnodar kray by more than one-third, in Murmansk oblast by half, and in Russia as a whole by 14 percent.

The Interior Ministry bodies, on their part, were trying to use as effectively as possible the potential of the recently adopted legislative acts, presidential decrees, and resolutions by the executive bodies and to bring them into the sphere of practical implementation.

Concrete steps have been made to improve interaction with other law-enforcement bodies and to make it more effective. It has proved possible to solve 204 crimes more than last year. For the first time in many years there has been an increase in the rate of crime detection by 10 percent, from 49 to 59 percent.

Two-thirds of the material damage caused by criminal activities was recovered. Organized crime is surrendering its positions. More than 10,000 leaders and active members of criminal groups faced criminal charges—an increase of 25 per cent. More than 150 criminal cases involving banditry were instituted, which is three times more than for the whole of last year.

Cases of 255 members of criminal gangs were submitted in court. Apart from the valuables and property obtained by criminal means, nearly 9,000 units of firearms and 870 kg of explosives were confiscated from criminals this year. This, as you might appreciate, must have saved quite a number of human lives.

For example, 13 members of an interregional gang involved in more than 60 serious crimes, including a number of murders, were arrested in Samara oblast. In Voronezh, 29 members of a criminal gang responsible for 156 dangerous crimes carried out in the central regions of Russia and in Estonia are now facing trial. More than 130 firearms, two grenade launchers, and six stolen vehicles were confiscated from them. Just a few days ago, in St. Petersburg, 28 members of an armed criminal gang led by a bank employee were arrested. We have proof that they murdered 10 people and carried out an armed robbery, stealing $178,000.

We are gaining more experience in solving more sophisticated crimes. Contract killers who murdered the deputy chairman of the republic's supreme soviet, Mukhin, were arrested in Bashkortostan. Criminals who murdered the deputy minister of internal affairs of Udmurtiya, Perevozchikov and members of his family, were arrested in Izhevsk. The murder of State Duma deputy Aizderdzis has been solved. We know who killed him and the search for him is under way. Eight people involved in the case have already been arrested.

I should also report that yesterday we detained a group of people suspected of carrying out the assault on deputy Martimyanov. We already have sufficient evidence of their involvement in this crime. And now we are in process of consolidating all the evidence and charging them for this grave crime.

It is proving possible to prevent contract killings, albeit not as often as one would like. In Belgorod a criminal group consisting of two killers [killery] as they are called now has been put out of action. At the order of local criminal structures they were planning to kill the head of a private company for a fee of $4,000.

The "Putina-94" multistage operation was carried out for the first time and its results were widely covered in the media. More than 53 tonnes of black caviar alone and 21 tonnes of red caviar were confiscated from the criminals. [noise in audience]

A package of measures has been implemented to reduce crime-induced fears on public transport. I can see caviar is arousing particular interest. [noise in audience] We have passed it on to trading organizations as we should. The public health and epidemiological services carried out tests and the consignments which by their quality standard could be sold have been sold by trading organizations.

The main stress has been placed on further increasing the efforts toward improving the rate of crime detection and guaranteeing public order and safety on the streets of towns and other populated areas.

Special attention has been devoted to improving preventive work. The Russian president has not only expressed the serious concern of the people of Russia over the state of affairs in the sphere of guaranteeing law and order but has also firmly demanded that practical measures should be stepped up in a determined way to fight crime and solve crimes affecting the safety of the population and the rights of the individual.

The decision has been taken to hold a Russia-wide conference of regional leaders and law-enforcement bodies in mid-December. I think such a wide representation of all the parties involved will make it possible to identify the most effective additional ways of strengthening legality and guaranteeing law and order within the country.

Thank you for your attention.

Duma Figures Call For Shakeup at Internal Affairs

MM1611161494 Moscow IZVESTIYA in Russian 16 Nov 94 p 4

[Report by Sergey Chugayev: "On Joining the Battle Against Crime, the Duma Attacks the Internal Affairs Minister"]

[FBIS Translated Text] The Russian State Duma is to hold a Crime-Fighting Day on 16 November. The word is that the Duma Committee on Security has prepared a major report which endeavors to graphically reflect this social evil plaguing the country. No doubt the deputies will be offered new recipes for fighting crime. And presumably Russian Internal Affairs Minister V. Yerin will have not the easiest and most pleasant time of his life. Your IZVESTIYA correspondent met with a number of Duma figures on the eve of the hearings.

In the opinion of Duma Security Committee Chairman V. Ilyukhin, the outcome will be a proposal to the president that he dismiss V. Yerin. The parliamentarians pointed out that the Duma had raised the question of the internal affairs minister's resignatikon before, but on that occasion it was promised a presidential edict on stepping up the fight against gangsters, and Internal Affairs Ministry representatives assured the deputies that the crime situation would be significantly improved within two months after the decree came into effect.

But, V. Ilyukhin stressed, four months have now gone by and the the crime situation is deteriorating. In his view, the Internal Affairs Ministry now has all it needs to combat criminals. The Internal Affairs Ministry's problems are a lack of discipline, exactingness, and organizational ability.

At the same time, V. Ilyukhin intends to advocate cuts in what he describes as the "punitive organs" in the Internal Affairs Ministry system—internal forces and special-purpose militia—and, at the same time, a stronger system of corrective labor institutions. The committee chief also said he could present proof that the Internal Affairs Ministry is involved in political investigations—in particular, agents' dossiers on certain Russian parties and their leaders. Including G. Zyuganov.

In short, V. Ilyukhin believes, Russian internal affairs organs need to rethink their role. The implication is that the rethink should begin with the replacement of the minister.

At the same time, while considering the replacement necessary, the Duma Security Committee chairman admits that it would not solve the problem of the fight against crime. It will only be solved by undermining the economic roots of crime.

The State Duma deputy chairman, alias A. Vengerovskiy, deputy chairman of the LPDR [Liberal Democratic Party of Russia] faction, also talked of the need to reform the Internal Affairs Ministry system. But, unlike V. Ilyukhin, A. Vengerovskiy believes that the reformed ministry should be modeled on the Internal Affairs Ministry headed by P. Stolypin.

Duma Defense Committee chairman S. Yushenkov, one of the leaders of the "Russia's Choice" faction, confirmed that there is a significant group of deputies in that faction who believe that the internal affairs minister should be replaced. But S. Yushenkov believes that excessive state interference in the economy and the excessive power officials have in the economy lie at the root of the growth of crime.

It soom becomes clear that the representatives of the main Duma political currents have different ideas about how to reform the system of law-enforcement organs and combat crime, but they effectively agree on one thing—the replacement of the internal affairs minister is inevitable. And this is perfectly logical in conditions where none of the opposing factional blocs in the Duma has a clear advantage, so all they can do is block opponents' initiatives.

Yavlinskiy Says Interior Ministry Needs Updating

LD1611174394 Moscow Mayak Radio Network in Russian 1410 GMT 16 Nov 94

[FBIS Translated Text] We continue to acquaint you with the course of today's State Duma session that discussed the draft law on strengthening the fight against crime. Here is what Grigoriy Yavlinskiy, leader of the Yabloko faction had to say about the activity of the internal affairs' bodies.

[Begin Yavlinskiy recording] We should not forget how and for what purposes the Ministry of Internal Affairs was set up in our country. It was a totally different country, under totally different circumstances, with totally different borders, and the tasks of this body were quite different, too. We have changed nothing in it, and yet we want this body to continue to tackle the absolutely, fundamentally new tasks now facing it using old methods.

We have discussed everything under the sun here today, but we have failed to discuss the most important and fundamental issue, namely that the Ministry of Internal Affairs under present conditions and, furthermore, under future conditions, should be a completely different body with completely different functions, and is not what we have today. So what we should actually be discussing is the need for a certain degree of consideration and great caution when thinking about gradual changes in the Ministry of Internal Affairs: Very careful, I would even say, slow but steady changes, but changes in the right direction. We spoke in our statement about those on whom we can rely and about the problems entailed therein.

The second issue on which I would like to speak is this. If you really think that the problem of crime is problem number one, then when the budget debate comes round soon discuss it as problem number one. Start with it and give the people who risk their lives for us precisely what they need. Listen to what they say and do this for them. What we have here is simply a kaleidoscope. Every day there is a new problem that, of course, is important, and of course has to come first. Then we adopt a budget that is impossible to implement. Then we hear the government. What are we doing? This is just not serious.

If crime is the main problem, then do what needs to be done to ensure that people who walk the streets and on whom we call for help at least know what will become of their family if they die protecting not their own, but our children. Ensure that they really understand what they are protecting and with what resources. Then the Ministry of Internal Affairs needs to be made an elite organization. If that is the case, it should get only the best people rather than just anyone. But then there need to be different conditions there. [end recording]

No Quorum For Debate on Military Service Law

MM1611161994 Moscow KRASNAYA ZVEZDA in Russian 15 Nov 94 p 1

[Article by Vladimir Yermolin: "Amendments to Military Legislation on the Agenda"]

[FBIS Translated Text] Toward the end of last week the State Duma discussed a draft law "On Amendments and Additions to the Russian Federation Law 'On Military Service Obligation and Military Service.'" Unfortunately a decision had to be postponed until the next plenary session—there was no quorum. This sometimes happens late on a Friday in our parliament, which is nothing if not human.

According to those who wrote the draft law, the way the voting goes will be affected primarily by the attitude toward the article on deferment. The list of beneficiaries is somewhat shorter than under existing legislation.

The term of military service is 18 months for conscripts, 24 months for the Navy, 12 months for conscripts with higher vocational education, and 24 months for those conscripted under the terms of a military training contract in accordance with the reserve officers training program. For those on contract the term of service is determined by the contract. The draft law is bulky and to some extent amends the majority of articles in the existing law. We will talk in more detail about the innovations in what is one of the main legal documents as far as the military is concerned when the draft becomes law.

The date of the hearings on the Western Group of Forces has finally been decided—24 November. The hearings are to be held behind closed doors because some of the documents are secret.

On Monday parliamentary journalists' attention was focused on the draft law "On State Regulation of the Production of and Trade in Alcoholic Beverages." The idea behind it is to establish rigorous state control over the production of and trade in alcohol.

It is in danger of becoming virtually the number one problem, jeopardizing national security. Deaths have risen sharply over the past five years, with demon drink having dispatched 70,000 people, which is 70 percent more than in 1990. The hope in the State Duma is that the aforementioned law will go at least some way toward helping protect Russians from the scourge of alcohol.

Regional Affairs

Chechen Opposition Destroys Government Stronghold

LD1711104694 Moscow ITAR-TASS in English 1023 GMT 17 Nov 94

[By ITAR-TASS correspondent Andrey Palaria]

[FBIS Transcribed Text] Moscow November 17 TASS—The Chechen opposition said on Thursday [17 November] it had destroyed a major stronghold of the government troops near the settlement of Bratskoye overnight.

Ruslan Martagov, spokesman of the opposition Provisional Council, told TASS by telephone that the decision to eliminate the stronghold was adopted after a tank and an armoured personnel carrier of the opposition exploded on mines a day before.

Martagov added that "the armour of the opposition had literally flattened all gun emplacements, pill-boxes and other reinforcements of the stronghold". He said the opposition sustained no losses, while the number of casualties among the troops of President Dzhokhar Dudayev is unknown.

Martagov claimed that the situation in Chechnya is completely controlled by the opposition and it is ready "to switch to actions in order to oust the regime of Dudayev".

He also said that the Provisional Council had received a major batch of armour, heavy artillery and aircraft which ensured full domination of the opposition forces over the government troops.

Martagov did not disclose from where the weapons arrived.

Khasbulatov: Possible Russian Invasion of Chechnya

LD1711091594 Moscow ITAR-TASS World Service in Russian 0805 GMT 17 Nov 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 17 Nov—"There are still opportunities to settle the situation in Chechnya, and no small opportunities at that," Ruslan Khasbulatov, former speaker of the Russian Supreme Soviet, who heads one of the groups in Chechnya opposed to the Dudayev regime, believes.

Speaking on a television channel under opposition control, he said today that "as many people as possible need to rise up against the criminal Dudayev regime in order to resolve the Chechen problem peacefully."

Nevertheless, Khasbulatov backed up Dudayev's propaganda by scaring listeners with "a possible Russian invasion." "I fear Russian troops being brought in, because they will destroy everyone—even as a lesson to other peoples," he exclaimed.

Khabarovsk Kray, DPRK Sign Cooperation Agreement

OW1711082794 Khabarovsk Radio Khabarovsk Network in Russian 0940 GMT 9 Nov 94

[From the "Kray News" newscast]

[FBIS Translated Text] The Administration of Khabarovsk Kray and an economic delegation from the DPRK signed a protocol on possible economic cooperation. It envisions industrial, transportation, communications, and agricultural cooperation involving Amur regional enterprises and firms in investment projects in the free economic zones of the DPRK ports of (Bradchin) and Sonbong.

There are plans to reconstruct the Khasan-Tumen River railway, the opening of an air route from Khabarovsk to cities in the free economic zone, and the reconstruction of roads to tackle current transportation and communication problems.

Russia entered in the protocol its agreement for a visit by a kray administration delegation to Pyongyang for detailed discussion of firm cooperation plans. The two countries agreed on the necessity, significance, and technical possibility of satellite communications between Khabarovsk and the free economic zone cities of the Democratic People's Republic of Korea.

Kabardino-Balkarians Protest Aviation Test Range

MK1611142094 Moscow SEGODNYA in Russian 16 Nov 94 p 2

[Unattributed report under the "Provincial Chronicle" rubric: "Nalchik"]

[FBIS Translated Text] Ethnic movements, public organizations, and political parties of Kabardino-Balkaria have voiced a protest against the Russian Federation Defense Ministry's efforts to set up an aviation test range in the Elbrus area. They proposed to the State Duma Defense Committee that it consider moving the test range to a safer location in the mountains of the North Caucasus.

Maritime Territory Adopts Controls for Ex-USSR Citizens

LD1711102794 Moscow ITAR-TASS in English 0923 GMT 17 Nov 94

[By ITAR-TASS correspondent Dmitriy Kashirin]

[FBIS Transcribed Text] Vladivostok November 17 TASS—Control over citizens arriving from ex-USSR republics is introduced in the Maritime Territory, Russia's Far East. The decision on the temporary procedure for their registration was made by Yevgeniy Nazdratenko, chief of the Maritime Territory administration.

From now on, guests from former union republics must be registered at places of their residence for a term of no more than 45 days. The subsequent extention of temporary residence to a total term no longer than one year requires the permission of the passport and visa service. The pay amounting to two per cent of the minimum wage will be required for each day of the stay in the Maritime Territory and will go to the local budget.

Enterprises formed in the Maritime Territory by entrepreneurs from ex-USSR republics are also to undergo reregistration. They will now be put on par with companies with foreign capital and can be registered only by the territorial administration or in the Nakhodka free economic zone. In order to receive licences, entrepreneurs from former union republics, for the first time in Russia, should present registration certificates of their own countries and banking documents confirming their solvency.

Observers believe the latest decisions of the Maritime Territory administration will lead to the reduction of uncontrolled migration in the territory and to the lowering of crime rate.

Nuclear Submarine Plant Paralyzed by Shortages

LD1611194794 Moscow ITAR-TASS in English 1729 GMT 16 Nov 94

[by ITAR-TASS correspondent Vladimir Anufriyev]

[FBIS Transcribed Text] Arkhangelsk November 16 TASS—Lack of fuel oil has paralysed Russia's largest manufacturer of nuclear submarines in Severodvinsk on Wednesday [16 November] after the local energy company cut it off from heat and energy supplies.

The company said thermal power plants have run out of oil and have not received fresh supplies since November 13.

However, leaders of the Severodvinsk engineering association that controls the submarine-building plant told ITAR-TASS that the measure has not affected the plant's nuclear or fire safety and that it has switched to reserve energy supplies. At the same time, 30 per cent of the staff have been laid off as their workplaces have been cut off from energy and heat supplies.

First deputy head of the regional administration Stanislav Potemkin described the situation as "pre-crisis." The lack of funds have prevented the thermal power plants supplying the region with heat to make fuel oil reserves for the winter. Arkhangelsk's only thermal power plant has only 4-days' oil reserves, while the Severodvinsk power plant's reserves will last only 1.5 days.

The lack of fuel and energy has brought all industrial enterprises in Arkhangelsk, Severodvinsk and Plesetsk to a halt. The temperature in Arkhangelsk's heating systems has dropped to its lowest level ever. Hot water supplies have been stopped. Officials said that a reserve of 7,000 tonnes of fuel oil will last only four days if the power plant stops supplying heat and energy to all industrial enterprises and hot water to the residential quarters of the city.

The local administration and the mayor's office said the government should pitch in immediately and provide budget subsidies to resolve the crisis.

Severodvinsk Yard, Cosmodrome Without Electricity

LD1711103694 Moscow ITAR-TASS in English 0941 GMT 17 Nov 94

[By ITAR-TASS correspondent Vladimir Anufriyev]

[FBIS Transcribed Text] Archangel November 17 TASS—The key facilities of the Severodvinsk nuclear shipbuilding yards and the Plesetsk cosmodrome are still short of electric power.

Electric power supply to all the industrial consumers, except enterprises ensuring the vital needs of the local population, had to be cut off there due to the acute shortage of fuel, experienced by thermal power plants of the "Arkhenergo" joint-stock society. True, there are also some positive changes. For instance, enough mazut was stocked up for the city thermal power plant in Archangel, where the situation was almost critical. Now it will be able to operate at full capacity for two days running. As a result, hot water was supplied to residential areas of the city. Archangel region is to get 170 railway tank-cars with mazut today. This is approximately the amount needed to ensure the operation of the main power-generating facilities of the region for 24 hours. The regional administration has drawn up a fuel deliveries timetable for the next four days in order to alleviate the fuel shortage.

Rise in Moscow Fuel Prices Forecast Within Week

LD1611184594 Moscow INTERFAX in English 1411 GMT 16 Nov 94

[FBIS Transcribed Text] The prices for petrol and diesel fuel in Moscow and the Moscow Region may jump 35-50 percent within a week, sources in the Moscow government reported to the Petroleum Information Agency.

At state petrol filling stations today prices for one liter of A-92 petrol is 500 rubles and for A-76 petrol - 400 rubles.

According to the experts in the Moscow Mayor's Office, price increases will be "inevitable" if the federal authorities do not grant a 150-billion ruble credit to the joint stock company Mosnefteprodukt for supplies to Moscow consumers, to procure petrol at the Ryazan Oil Processing Factory and do not allocate 130 billion rubles to the Moscow Oil Processing Factory to procure additional quantities of raw oil.

Russia's Fuel and Energy Ministry also intends "to adopt measures to bring the prices for oil products in line with the prices for raw materials and the state of the market."

At the same time the Moscow authorities strive to speed up creation of the Moscow Oil Company (MOC) which would control oil processing and fuel supplies for the city. However, Russia's Fuel and Energy Ministry opposes creation of the MOC as it believes that this can strengthen the monopoly over the capital's oil supplies.

The ministry's experts propose to strengthen control over agreements providing for deliveries of oil products and "to rule out participation of commercial mediation structures in selling oil products of the Moscow Oil Processing Factory."

According to the information services of the Moscow Mayor's Office, Moscow consumes about 9500 tonnes of petrol a day. The Moscow oil processing factory produces about 7000 tonnes of petrol every day, Moscow's nearest "neighbors," in particular, the Ryazan oil processing factory, deliver about 2500 tonnes of petrol.

At present, according to information from the Moscow government and the Russian Fuel and Energy Ministry, the city's supply with engine fuel has appropriately been arranged for, however, this can not cover the lack of 12000-15000 tonnes which occurred late October due to the reduction of production at the Moscow Oil Processing Factory by one-third.

Chernomyrdin: 'Act of Provocation'

LD1711125694 Moscow ITAR-TASS World Service in Russian 1225 GMT 17 Nov 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 17 Nov—Viktor Chernomyrdin, the head of the cabinet, described the crisis over fuel at Moscow gas stations as an act of provocation aimed at forcing him to introduce regulated prices for petroleum products. In the words of the prime minister, this incident was a warning signal for the government.

However, First Deputy Economics Minister Yakov Urinson stressed in an interview for an ITAR-TASS correspondent that this would be ruinous for the government as the introduction of regulated prices on one type of product would inevitably cause an avalanche of similar requests from other producers. The government is maintaining a firm policy on introducing free prices on oil and petroleum products, which will ultimately become equivalent to world prices.

In his view, it is prices for this type of fuel regulated by local authorities that are to blame for the gas crisis in Moscow. In this case the regulated price provoked increased demand and ultimately led to the disappearance of fuel from gas stations. Urinson said that the proposed gradual freeing of prices for petroleum products would be carried out in stages and would be regulated by the government in order to prevent sharp leaps in price.

It is planned that the price for petroleum products will gradually rise during the first quarter of next year by approximately four-five percent. However, by the end of next year, the rise in the price of petroleum products will be no more than one percent per month.

Energy Production in Northwest Critical

LD1611193394 Moscow INTERFAX in English 1629 GMT 16 Nov 94

[FBIS Transcribed Text] Power stations located in Russia's north west still suffer from an unprecedented shortage of fuel which may lead to serious consequences in the region.

The head of the maintenance department of the joint-stock company United Energy System of Russia (UESR), Vladimir Gorodnitskiy, told Interfax that the Severodvinskaya heat power station was on the brink of shutting down. There were only 1300 tonnes of fuel oil at the station given its daily consumption of 1600 tonnes.

In the meantime, a total of 33 railroad 50-tonne cisterns of fuel have come to the city from the Ukhtinsk oil processing plant and another 24 cisterns are expected to be delivered in the near future.

According to Gorodnitskiy, the region's power stations will face such shortages for the whole of winter as they have virtually no stocks of fuel oil. For instance, the Murmansk heat power station is provided with fuel for only four days at the moment. The situation may become even more aggravated at any moment because of an unexpected delay in delivering fuel oil to the station. Even now, in November, the heating temperature in homes has been lowered.

Gorodnitskiy said restrictions on heat consumption were being and will be introduced in Russia's Far East and north west.

The situation may worsen whenever the temperature goes down as only one degree down requires about an additional million kilowatts to be produced by the country's power stations.

Chelyabinskukol Coal Miners To Halt Deliveries

LD1611184394 Moscow INTERFAX in English 1411 GMT 16 Nov 94

[FBIS Transcribed Text] At 20:00 on November 17 miners of the association Chelyabinskugol will halt coal deliveries for three days to demand back wages.

Yuriy Globa, chairman of the Territorial Committee of Miners' Trade Union, reported to Interfax on Wednesday that the enterprise's wage debt for three months amounts to 35.5 billion rubles. As many as 1 million tonnes of coal will not have been dispatched as a result of this action.

Counterfeiting of Currency on Increase in Voronezh

MM1611143094 Moscow ROSSIYSKAYA GAZETA in Russian 16 Nov 94 First Edition p 8

[Report by Gennadiy Litvintsev: "Nondisposable Dollars"]

[FBIS Translated Text] Voronezh—Some $20,000 and over 80 million rubles were seized during an operation to neutralize a criminal gang at Voronezh's Brno Hotel.

This year alone there has been a 360-percent increase in the production and circulation of counterfeit hard currency in Voronezh Oblast. The counterfeiters' technical equipment is improving.

International Affairs

Moscow Welcomes NPT Ratification

LD1611204694 Moscow INTERFAX in English 1937 GMT 16 Nov 94

[FBIS Transcribed Text] Russia welcomes Ukraine's joining the Nuclear Nonproliferation Treaty.

Deputy Foreign Minister Sergey Krylov told Interfax that the Kiev decision strengthened the treaty. He described it as a very positive step, essential for security and stability in Europe.

Krylov expressed his confidence that the joining of the treaty by Ukraine will improve the atmosphere in the Russian-Ukrainian talks.

He said it was a good signal on the eve of the meetings which would start in Moscow where a Ukrainian delegation with Deputy Prime Minister Yevgeniy Marchuk at its head would arrive Wednesday to discuss the Black Sea Fleet, debts and other issues.

He expected that the Russian parliament to congratulate the Ukrainian Supreme Soviet on this move.

Russia's special envoy Yuriy Dubinin who heads the Russian team negotiating the future of nuclear weapons stationed in Ukraine said crisply "Good news" about the Ukrainian parliament's decision.

He told Interfax Wednesday night that the Marchuk visit will contribute to resolution of all issues in the bilateral relations.

Dubinin said that there was no confirmation of the visit from Kiev until last Tuesday.

Questions Phrase on Weapons Ownership

LD1711110394 Moscow ITAR-TASS World Service in Russian 1015 GMT 17 Nov 94

[By ITAR-TASS diplomatic correspondent Andrey Serov]

[FBIS Translated Text] Moscow, 17 Nov (ITAR-TASS)—The law adopted by the Ukrainian parliament Wednesday, ratifying the country's adherence to the nuclear arms nonproliferation treaty, is causing a number of questions in Moscow. An ITAR-TASS correspondent learned today from informed sources at the Russian Federation Ministry of Internal Affairs that Russian experts have spotted certain contradictions, primarily in the special resolution which forms an appendix to the law.

The same sources said that the status of the resolution itself is unclear, as is the phrase in it to the effect that Ukraine owns nuclear weapons which it inherited from the USSR. It is the view of Russian experts that this statement violates international obligations adopted by Kiev in connection with the nuclear arms nonproliferation treaty and in fact means that Ukraine will join the treaty as a nuclear power.

Moscow has given the Ukrainian parliament its due for having adopted the law ratifying the treaty, but is worried about the phrase that Ukraine owns nuclear weapons. Additional steps are expected of Kiev to settle this issue in a constructive spirit both in the interests of Ukraine itself and of the entire world community.

Polish Minister Notes 'Satisfaction' With NPT

LD1611200394 Moscow ITAR-TASS in English 1935 GMT 16 Nov 94

[by UKRINFORM-TASS correspondent Aleksey Petrunya]

[FBIS Transcribed Text] Kiev November 16 TASS—"Members of our delegation have learned with satisfaction about ratification of the nuclear non-proliferation treaty by the Ukrainian parliament. We welcome this most important decision of the Supreme Soviet which displayed wisdom and understanding of its responsibility". This was stated by Polish Foreign Minister Andrzej Olechowski at today's news conference devoted to his one-day visit to Ukraine.

"We all are glad about this decision of our parliamentarians," Gennadiy Udovenko, Ukrainian foreign minister said. "For the first time in the world a nuclear power voluntarily renounces nuclear arms and supports its aspiration by concrete actions," he emphasised.

Both foreign ministers stressed that Ukrainian-Polish relations were at a high level and the present visit would give a new impetus to them.

Andrzej Olechowski noted that in the course of his meetings with Ukrainian President Leonid Kuchma, Prime Minister Vitaliy Masol and Foreign Minister Gennadiy Udovenko he met benevolence and understanding.

Both sides discussed issues connected with the intensification of the activities of the joint commission for economic cooperation and collaboration in the military and conversion fields which, the foreign minister believes, has been developing successfully.

Touching on the issue concerning guarantees of rights of Ukrainians in Poland and Poles in Ukraine, Andrzej Olechowski said: "We are satisfied with the solution to this problem and our talks have confirmed it".

Olechowski Sees 'No Contentious Issues'

LD1611191794 Moscow INTERFAX in English 1629 GMT 16 Nov 94

[FBIS Transcribed Text] There are no contentious issues that could mar relations between Poland and Ukraine, Polish Foreign Minister Andrzej Olechowski said speaking at Kiev airport on Wednesday.

Olechowski who is on a flying visit to Kiev said the two countries could do a lot to prevent Europe from being divided again.

He said the two countries were used to a situation when political issues come ahead of economic ones calling for more effort to widen contacts between Polish and Ukrainian entrepreneurs.

On a recent incident at Warsaw railway station involving Russian citizens, the minister denied that there was general dislike of Russia and Russians in his country. Olechowski said that some 2 million Russians visit Poland annually with many of them finding new employment or remaining there for good. He said that the interpretation of the Warsaw incident by the Russian mass media was designed to alert the public of "how the Russians are treated abroad".

Parties Discuss Economic Cooperation

LD1611181294 Moscow ITAR-TASS in English 1716 GMT 16 Nov 94

[By UKRINFORM correspondent Aleksey Petrunya for TASS]

[FBIS Transcribed Text] Kiev November 16 TASS—"We are interested in developing comprehensive cooperation with Poland, especially in the economic sphere", said Ukrainian Prime Minister Vitaliy Masol.

At today's meeting with Polish Foreign Minister Andrzej Olechowski, the Ukrainian premier noted that the two countries have very good prospects for expanding trade and economic relations, including by creating joint ventures.

"We believe European integration should now extend eastwards", the Polish minister emphasised. "In saying so, I above all mean Ukraine", he added.

Masol and Olechowski paid much attention to Ukrainian-Polish cooperation in the military and technical sphere, including conversion.

Ukraine intends "to maintain cooperation in the military sphere with Russia, other former Soviet republics, and foreign countries", the Ukrainian prime minister said. "Once we used to have a mighty defence industry, most of which independent Ukraine does not need. We are carrying out large-scale conversion, we are ready to sell our "spare" arms and military equipment. And we could cooperate in searching for partners in this sphere", he pointed out.

Speaking about economic relations with western countries, Masol said "the western market is saturated, and nobody is waiting for us there. Therefore, within the next 15 or 20 years, our market will be mostly central Asian, African and mid-East countries. And only after Ukraine has stabilized its financial and monetary system, industrial production, we will be thinking about competition with major western countries".

"Judging by our experience, it is very difficult to break the western deep-rooted attitude towards east European products", the Ukrainian prime minister noted. "But when our products get access to western markets, this is very important and profitable", he said.

Kiev, Tashkent Sign Cooperation Agreements

AU1711074294 Kiev HOLOS UKRAYINY in Ukrainian 12 Nov 94 p 1

[Unattributed report: "Islam Karimov Is Against the Eurasian Union but in Favor of Economic Integration"]

[FBIS Translated Text] Questions of intensifying bilateral relations, developing trade and economic cooperation, and some international problems were discussed during the meeting between Ukrainian President Leonid Kuchma and President of Uzbekistan Islam Karimov. On 10 November, the Uzbekistan president also held talks with Ukrainian Prime Minister Vitaliy Masol. Heads of the external political departments Hennadiy Udovenko and Abdulaziz Kamilov held negotiations at Ukraine's Ministry of Foreign Affairs. A program for cooperation between the ministries of foreign affairs of the two countries was signed. In the afternoon on the same day, I. Karimov visited the Ukrainian National Academy of Sciences Institute of the Problems of Materials Technology. Joint Ukrainian-Uzbekistan documents were signed at the Mariyinskyy Palace: The Declaration on the Main Trends in Economic Cooperation, an Agreement on Avoiding Double Taxation of Incomes and Property, on the Trade and Economic Cooperation for the Year 1995, on the Military and Technological Cooperation and Cooperation in the Sphere of Culture. After the signing ceremony, I. Karimov, speaking about cooperation within the framework of the CIS, stated that he was in favor of intensifying economic ties, but against the creation of a single parliament and government of the CIS as supragovernmental structures and also against the Eurasian Union. He was supported by L. Kuchma, who emphasized that the way out of the difficult situation lies in economic integration for the benefit of all the states of the commonwealth.

Yesterday [11 November], L. Kuchma and I. Karimov held a joint news conference in which the presidents of the two countries summed up the results of the negotiations.

Chernobyl Officials, IAEA Hold Safety Talks

LD1711111594 Moscow Mayak Radio Network in Russian 0900 GMT 17 Nov 94

[FBIS Translated Text] A seminar on the problems of the culture of safety at nuclear power stations has ended at

Chernobyl. Oleg Goloskokov, press secretary of the Chernobyl AES [Nuclear Electric Power Station], gives the details over the phone.

[Goloskokov] It continued for three days at the Chernobyl AES. Officials from Ukraine's Goskomatom [State Committee for Nuclear Power Engineering] and Gosatomnadzor [State Committee for Control of Work Safety in Nuclear Engineering] and employees from Ukraine's other nuclear power stations participated, in addition to our specialists. The seminar was conducted by (?Friedrich Neuhaus) and (?Oga Banga), leading specialists from the International Atomic Energy Agency [IAEA]. The IAEA has already held seminars like this in 20 countries.

The aim of our seminar was achieved. There was a fruitful exchange of information and an assessment of the culture of safety at the Chernobyl AES. The seminar demonstrated the adherence by Chernobyl station staff to the principles of the international concepts of the culture of safety. The seminar's participants were persuaded that the Chernobyl power grids are operating reliably and safely. International experience and assessment of our work is of particular significance. The developed countries have recently been offering independent Ukraine loans on condition that it close the Chernobyl AES. This contradicts the principles of the culture of safety, which requires that nuclear power engineering should be outside political games. An important result of the seminar is a program for further cooperation between the Chernobyl AES and the IAEA to increase safety.

National Affairs

Parliament Ratifies NPT With 'Reservations'

LD1611150794 Moscow ITAR-TASS in English 1444 GMT 16 Nov 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] Kiev November 16 TASS—The Ukrainian legislators ratified the Nuclear Non-Proliferation Treaty [NPT] by a majority vote on Wednesday. Ukraine joins the treaty with reservations, a law, which was adopted to this effect, says. The treaty "does not cover in full the unique situation which emerged after the USSR collapse", it is said in the law. The lawmakers also issued a supplementary statement to the law.

Although Ukraine owns nuclear weapons it acquired from the USSR, these weapons will be dismantled and disposed of under the state control to prevent reuse of nuclear materials. "Ukraine will use nuclear materials exclusively for peaceful purposes", the statement said.

However, the presence of nuclear weapons on the Ukrainian territory as well as their proper maintenance, until the complete elimination, do not run counter to Articles 1 and 2 of the treaty.

Ukraine will deem any attempt of violating her borders or territorial integrity by any nuclear power "as emergency circumstances which jeopardize her top priority interests".

The law on Ukraine's joining the Nuclear Non-Proliferation Treaty will come into effect upon all the party states' signing an international legal document to guarantee her security.

Text of Resolution

LD1611153294 Kiev Radio Ukraine World Service in Ukrainian 1330 GMT 16 Nov 94

["Text" of resolution read by Supreme Council Chairman Oleksandr Moroz, detailing reservations to Nuclear Non-Proliferation Treaty, adopted in principle, at Supreme Council session in Kiev —live]

[FBIS Translated Text] I will read out the text which has been agreed by all the initiators of this document:

The law of Ukraine on Ukraine's accession to the Nuclear Non-Proliferation Treaty dated 1 July 1968.

On the basis of the provisions in the Declaration of State Sovereignty of Ukraine of 16 July 1990;

statements by the Supreme Council of Ukraine on the non-nuclear status of Ukraine of 24 October 1991;

resolutions by the Supreme Council of Ukraine on additional measures with regard to guaranteeing Ukraine's acquisition of non- nuclear status of 9 April 1992;

resolutions of the Supreme Council of Ukraine on ratifying the agreement between the Union of Socialist Soviet Republics and the United States on the reduction and limitation of strategic offensive weapons, signed on 31 July 1991 in Moscow, and the protocols attached to it, signed on behalf of Ukraine on 23 May 1992, in Lisbon of 18 November 1993;

and resolutions of the Supreme Council of Ukraine on the implementation by the president of Ukraine and the Government of Ukraine of the recommendations contained in Point 11 of the resolution of the Ukrainian Supreme Council on the ratification of the agreement between the USSR and United States on the reduction and limitation of strategic offensive weapons, signed on 31 July 1991 in Moscow, and the protocols attached to it, signed on behalf of Ukraine on 23 May 1992 in Lisbon, of 3 February 1994;

the Supreme Council of Ukraine resolves:

To accede to the Nuclear Non-Proliferation Treaty of 1 July 1968, with the following reservations:

1. The provisions of the treaty do not completely embrace the unique situation which has arisen as a result of the collapse of the nuclear state of the USSR;

2. Ukraine is the owner of the nuclear weapons inherited by it from the former USSR. After the dismantling and destruction of the given—weapons under its control, is that so? A word is missing here— under its control, and according to the procedures which will exclude the possibility of reusing nuclear materials which are components of these weapons, according to their primary purpose, Ukraine intends to use the aforementioned materials exclusively for peaceful purposes;

3. Until the nuclear weapons are completely liquidated, and also until corresponding work on maintaining, servicing, and liquidating the nuclear weapons is carried out, the presence of nuclear weapons on Ukrainian territory does not contravene Article 1 and 2 of the treaty;

4. The threat or use of force against the territorial integrity and inviolability of the borders or the political independence of Ukraine on the part of any nuclear state, and equally, the use of economic pressure aimed at subjugating to its own interests the exercising by Ukraine of rights inherent in its sovereignty, will be regarded by Ukraine as exceptional circumstances that have threatened its highest interests;

5. The documents on Ukraine's accession to the treaty will be passed to the depositary countries after it has come into effect by means of this law;

6. This law takes effect once Ukraine receives security guarantees from the nuclear states formulated by means of signing a corresponding international legal document with Ukraine.

Kuchma Addresses Parliament on Accession

LD1611212994 Kiev Radio Ukraine World Service in Ukrainian 1245 GMT 16 Nov 94

[Address by Ukrainian President Leonid Kuchma on Ukraine's accession to the nuclear Nonproliferation Treaty (NPT) to a Supreme Council session in Kiev—live]

[FBIS Translated Text] [Kuchma] In the USSR on the wave of perestroyka we were called an African country, with the one difference that we had nuclear weapons. I do not know what they will call us because we have missiles with nuclear warheads that are beyond their expiry date. For this reason, I would like to turn to you, esteemed deputies, with a request to give me a little more time for my speech.

[Supreme Council Speaker Moroz] Does anyone disagree with this?

[Deputies] No.

[Kuchma] Esteemed chairman, deputies. In addressing this problem I would like to remind you all that world experience has proven that the people will forgive politicians for everything apart from untruths. The truth is that Ukraine today does not have the choice of being nuclear or nonnuclear. The choice has been made by the activity of the previous and present parliament, and by virtue of Ukraine's international obligations, and finally by the actual situation. The situation is as follows: The course of the world process of nuclear disarmament depends on our decision today. If we have decided to trade with the world community then we have chosen the most unfavorable moment and the most unsuccessful item of trade. We will surprise the civilized world, since the decision on the accession to the treaty is the concluding stage that logically is conditioned by all the previous political acts approved by the Supreme Council of Ukraine in 1994. This is the declaration on the state sovereignty of Ukraine that was mentioned today, the statements of the Supreme Council on the nonnuclear status, the resolution of the Supreme Council on the ratification of START I, and the Lisbon protocol that envisage Ukraine's accession to the NPT and the trilateral statement of 14 January 1994 that was also approved by the Supreme Council, in accordance with which the withdrawal of warheads to Russia will actually be carried out in two and a half years. This prevents them being used by Ukraine. Any further delay in resolving this issue would, in may view, cause the whole world community to stop dealing with us as a country that does not know how to honor its obligations.

So what are the gains that those politicians of ours who are effectively obstructing the process of accession or, what is more, coming out for Ukraine's nuclear status, are hoping for? Are they national security or the political and economic advantage and benefit?

I will remind those who, in a flight of artificial patriotism, have forgotten that Ukraine not only has no respective production, cannot use nuclear weapons in defense terms, and cannot even make use of the nuclear warheads inherited by it for power engineering purposes, because the dismantling of warheads, in accordance with nuclear safety requirements, is possible exclusively at the enterprises that manufactured them, i.e. in Russia, which was also recorded in the trilateral statement by the three states. Experts estimate that the creation and improvement alone of a safe keeping system for the nuclear weapons, which are present on our territory, can cost between $10-30 billion. That is as far as the economic benefit is concerned, as it were.

As for production of our own, to complete the nuclear warheads production cycle requires the investment of at least $160-200 billion over 10 years, which was also something that was recalled here today and was set down in the notice handed to you. So have we any choice, as we are trying to make out to the people? Who from the advocates of nuclear games will stand up now and say who needs to sell and mortgage all of Ukraine's belongings in order instead to bring it the happiness of a nuclear arsenal of its own?

This, however, is not the whole of the truth. There are some here who doubt my political competence. They are welcome. Hardly anyone, however, will question my professional and technological experience. As a professional rocket builder, may I add that nor have we any technical possibilities for a choice. There are many aspects of this.

I will address one only, which is the availability of a nuclear testing ground to possess and develop nuclear weapons, to speak nothing of the fact that no country will make it available to us. Let us stage this experiment: Let those deputies stand up who will be able to talk their electors into giving their area to nuclear tests. Please. Are there not any? No, there are not

Finally, the fact that concerns some of the most staunch protagonists of Ukrainian independence's nuclear shield is that keeping and, moreover, producing nuclear weapons will make Ukraine so dependent on other nuclear states and primarily on Russia, that there can be no talk about any independence and sovereignty. I would like you to think well about this, too.

When I, esteemed deputies, said we had no choice, that does not at all mean that we are powerless and blind hostages of the situation, and that we have no leeway to act. Ahead of us, after the accession, is much work, as in some respects the treaty has indeed become obsolete. Twenty-five years have passed since the NPT became effective. To do work more effectively so as to improve it, we need to become full participants in this treaty, rather than being a bystander. That is why Ukraine must take an active part in the 1995 conference where a decision will be made on the NPT's future destiny. There, all those who wish to do so will be fully able to demonstrate their competence, their professionalism, and their patriotism. You are welcome and we will provide you with this opportunity.

If I have convinced you, and if I have managed to convince our electors who are watching the work of the session—and I hope that this is exactly the case—I would like to shift the emphasis from the problem of the need to accede to that of the obstructions that there are in the way of accession. The settlement of it in legal terms is, indeed, not simple, as the NPT does not fully take into account the unique situation that there is with relation to Ukraine.

First is the issue of ownership. It has been universally recognized by now worldwide that Ukraine has the right to ownership of nuclear warheads. I repeat once again that this is precisely the right by which Ukraine is compensated for the warheads being withdrawn. So this issue, that was raised today, has been settled.

Second is the issue of control over nuclear weapons. As all strategic offensive arms on the territory of Ukraine are serviced by Ukrainian servicemen and are under administrative and military control by Ukraine, this served a ground for accusations that this situation contravened the provisions of Article 2 of the NPT, to have no control over nuclear weapons or nuclear explosive devices either directly or indirectly. It is necessary to state as clearly as possible in connection with this that the nuclear warheads on Ukrainian soil are there temporarily and are subject to withdrawal to Russia, as was provided for by the trilateral statement approved by us. I repeat once again that Ukraine exercises no operational control over nuclear weapons. Neither Ukraine's president nor the defense minister have any possibility to command the use of them. Until the complete withdrawal from Ukraine, nuclear weapons are under the operational control of the Russian Federation, which is a legal fact. It carries out technical maintenance and inspection by the manufacturer over these warheads and ensures their nuclear security.

Next, the NPT, indeed, makes no provision for a situation where nuclear warheads would belong to a country whose status is nonnuclear. However, in view of what is most important, which is that Ukraine has no control over nuclear warheads in the context of this treaty and cannot use them as weapons, it is legitimate for Ukraine to accede to this treaty with respective statements that would reflect the actual state of affairs that has come about, and our state's status.

And third is the issue of Ukraine's provision with national security guarantees. I really want to thank Borys Oliynyk [chairman of Foreign Affairs and CIS Relations Parliamentary Committee] who said it was virtually for the first time that the world's nuclear club member states treated Ukraine as a state. On 7-9 November, which is in your letter, official confirmation was received from Russia, the United States, and Great Britain that they are ready to sign guarantees of Ukraine's security in connection with our state's accession. It is planned that this document will be signed by the highest-ranking officials of the three nuclear states and the Ukrainian president at a CSCE meeting in Budapest on 5-6 December if you, esteemed deputies, approve today's treaty.

I once again want to recall that this document's text, that has been coordinated, makes provision, in particular, for Russia's, the United States', and Great Britain's undertaking to respect Ukraine's independence, sovereignty, and existing borders; to refrain from the threat or use of force against Ukraine's territorial integrity or political independence by using any weapons; and to abstain from economic pressure on Ukraine. This document's most important element is the mechanism of its implementation by way of holding consultations between the said three states and Ukraine, if questions arise about the sides' performance of obligations under this document.

In conclusion, I want very briefly to answer many deputies' questions about what accession to the treaty gives Ukraine. I will not speak of economic, technological, and power engineering assistance, which is quite trivial and is even irrelevant. What is relevant is that this awards Ukraine such an achievement, that has—forgive me—been forgotten both at a personal and political level, as good reputation that today we lack worldwide. We demonstrate by our action that Ukraine intends neither to haggle with nor, moreover, profiteer from or blackmail the world community by a threat to security, using formal legalistic gimmicks rather than fundamental legal grounds. By this action, we will conclude the matter of the Strategic Arms Treaty being brought into effect, which at last will exonerate us from accusations by a large number of countries of blocking nuclear disarmament. If the reputation of our country and of those lawfully elected by is at one pan of the scale, I just do not know what should be put on the opposite to outweigh it.

So, I call on all those deputies to whom the reputation of politics and politicians and of our country is not an empty sound today to make the respective decision. In my view, any further delay would be unacceptable and would be contrary to the national interests, prestige and security of our state.

Thank you for your attention.

Foreign Minister Delivers Speech

LD1611172794 Kiev Radio Ukraine World Service in Ukrainian 1040 GMT 16 Nov 94

[Speech by Ukrainian Foreign Minister Hennadiy Udovenko on the issue of Ukraine's accession to the Nuclear Nonproliferation Treaty (NPT) at a Supreme Council session in Kiev—live]

[FBIS Translated Text] Esteemed Mr. President. Esteemed Mr. Chairman. Esteemed deputies.

Petro Platonovych Udovichenko was Ukraine's first permanent representative at the United Nations Organization in 1949-1950, so it is good that he was mentioned today.

The issue of Ukraine's attitude to the nuclear weapons Nonproliferation Treaty, NPT, has been discussed in the Supreme Council more than once. Various, sometimes opposite views have repeatedly been expressed to that effect. I cannot but repeat some of my reasons either.

First: The 1968 nuclear weapons Nonproliferation Treaty is one of the most essential factors of maintaining strategic stability in the world. The transition from confrontation and Cold War to building international relations on the new principles of interaction and cooperation did not belittle its significance. This treaty remains the most comprehensive, as to the composition of its signatories, international treaty in the field of control over armaments. This treaty was signed by more than 160 states, which is more than in any other agreement in this sphere. These include both nuclear states and economically advanced nonnuclear countries, and virtually all the states that have peaceful nuclear power engineering.

Not only does the NPT prevent the proliferation of nuclear weapons in the world, but it contributes to a large-scale and equal cooperation in the field of the peaceful use of nuclear energy.

Despite its certain imperfection, the treaty continues to play the role of one of the most fundamental documents that regulate relations between states in the complicated and delicate nuclear sphere. Virtually all its signatories express support for the treaty to continue playing its role. Therefore, it is not amendments or addenda to the treaty that will be discussed at a 1995 conference, but the term of extending its validity. I would like to lay a special emphasis on this, on the fact that the treaty will not be revised. This does not rule out the possibility of taking some additional measures along the lines of developing the treaty. In particular, this refers to the implementation of the idea of an all- embracing ban on nuclear tests. However, in connection with this, one should not forget that it is only a full-fledged participant of the treaty that can influence the fate of the treaty in real terms.

Second: The specific nature of the situation Ukraine found itself in after the former Soviet Union had disintegrated, and after Ukraine had proclaimed its intention to become a nonnuclear state lies in the fact that Ukraine inherited nuclear weapons stationed on its territory. However, owing to the fact that control over these weapons has never belonged to Ukraine, it cannot be considered as a purely nuclear state.

As is known, the right of ownership envisages the availability of at least three main conditions—possession, movement, and disposal of the object of ownership. Being the owner of the nuclear weapons stationed on its territory, Ukraine has never had and does not have a possibility to use these weapons. Even if Ukraine obtained access to the so-called nuclear button, there would be a problem of reproducing nuclear warheads, without solving which, Ukraine would be able to remain a nuclear state for a short period of time only.

A necessary condition for the creation of one's own nuclear potential is the possibility to produce and permanently improve nuclear warheads through one's own effort, which requires:

First: A relevant scientific and technological base.

Second: An industrial base for the production of nuclear materials, first and foremost, highly enriched Uranium and Plutonium.

Third: An industrial base for the production of nuclear warheads and maintaining them in a proper condition.

Fourth: An industrial base for the production of the means of delivery of nuclear weapons.

Fifth: An infrastructure, which would ensure transportation, technical servicing, safe storage, and physical protection of nuclear warheads.

Sixth: An infrastructure for combat servicing of nuclear weapons and, finally, nuclear warhead testing grounds.

The absence of any of the above elements makes the creation and reliable functioning of nuclear forces impossible. At least some of the above elements are entirely unavailable in Ukraine. Some of them.

On the other hand, if Ukraine fails to join the NPT, it will actually be left beyond the bounds of the international economic, scientific, and technical cooperation, even in the field of the peaceful use of nuclear energy. This isolation will result, for example, in a stoppage of the deliveries of nuclear fuel and equipment from Russia that are required for Ukraine's nuclear power stations. In compliance with and edict by the president of the Russian Federation, export of these products to the countries whose nuclear activity is not subject to the all-embracing guarantees of the International Atomic Energy Agency, is prohibited. The creation of Ukraine's own fuel and energy cycle requires time and considerable expenditure.

In conditions of the deepening energy crisis, obstacles in the way of electric power supply—Ukraine's nuclear power stations produce about 30 percent of all electricity in Ukraine—will lead to the further aggravation of the economic situation in our state, to say nothing about the looming possibility of international political isolation with all its consequences, which we will inevitably find ourselves in, and that will in no way contribute to the improvement of the situation inside the country and its status on the international scene. By the way, before the known trilateral agreement was signed, we were in such an isolation and we know from our own experience what it means.

Fourth: With regard to the above, one can say definitely that Ukraine's plans to join the NPT in the capacity of a nuclear state could exist in a purely theoretical plane. Besides, if Ukraine embarked on this road from the very beginning, the process of the international recognition of our state would have been significantly complicated. At this point, it is necessary to emphasize again the fact that on 15 July 1990, when the Supreme Council of the previous composition approved the history-making declaration of Ukraine's state sovereignty, which contained a provision that Ukraine would become a nonnuclear state in future, at that time they treated us as follows: What is Ukraine's attitude to these nuclear weapons? However, later, when Ukraine became an independent state, this significantly facilitated the recognition of our state by the entire world. If this did not happen, the diplomatic construction of our state would have been very difficult. Possibly, it would not have occurred at all.

We can state today that after parliament had ratified START I and approved the trilateral statement by the presidents of Ukraine, the USA, and Russia, and after relevant bilateral agreements were signed with Russia, the practical aspects of Ukraine's proclaimed intention to become a nonnuclear state were resolved unequivocally.

The matter of our primary concern was to settle properly three main problems. This is, first and foremost, adequate compensation to Ukraine for the nuclear weapons that have been removed and that are being removed from its territory; sufficient financial aid to our state toward liquidating these weapons; and reliable additional guarantees of Ukraine's national security.

What do we have now? The issue of removing nuclear warheads to Russia for them to be liquidated under Ukraine's control, with simultaneous provision of compensation in the form of fuel elements for Ukraine's nuclear power stations, has been resolved and is being implemented in practical terms. The issue of giving compensation to Ukraine for the tactical nuclear weapons that were removed from our territory in 1991-1992 has been resolved in principle. A whole package of agreements, envisaging significant financial, material, and technical assistance to Ukraine on the part of the USA and other Western countries toward nuclear disarmament, has been signed.

Thanks to purposeful and persistent efforts by the president, the executive and legislative branches of power, real progress has of late been achieved in resolving the extremely important and urgent issue of increasing the volume and raising the efficiency of assistance to Ukraine on the part of the world community. The recent meetings between Ukrainian officials and top-ranking representatives of the USA and other leading countries of the West contributed toward that end. As a result, the United States agreed to speed up the delivery of material and technical means to Ukraine and rendering services not only in compliance with the treaty on the liquidation of strategic offensive weapons, but also in compliance with other [word indistinct] agreements.

In particular, it has become possible to make significant progress in resolving the issue of building housing for the servicemen of the strategic missile forces. Of course, work on intensifying the provision of financial and technical aid for the needs of nuclear disarmament in Ukraine, according to the Nunn-Lugar Law, will continue, but your decision on Ukraine's accession to the NPT will in any case contribute to the increase in the volume of this aid and accelerating the rate of its implementation.

I would also like to emphasize that it was extremely important to persuade nuclear states to show understanding of our problems, to explain it to them that the existence of a strong, democratic Ukraine meets the interests of the entire European community, to involve a vast number of Western states in rendering us assistance. Therefore, beginning in February this year, the Foreign Ministry has been carrying out intensive work with the leading donor countries and this yielded certain positive results.

The ambassadors of the 14 leading European Union countries, at their meeting with the president yesterday [15 November], announced their governments' intention to allocate an additional sum of over $230 million still in this fiscal year. There has been a qualitative change in the West's approach to rendering this aid. Earlier they only talked about the liquidation work, the elimination of the infrastructure. Now the donor countries are more inclined to a comprehensive approach in rendering this aid. In particular, a significant part of the money will be allocated to resolve social welfare and housing problems facing servicemen who are transferring to the reserve, to carry out conversion of the military-industrial complex, ensure environment protection, and improve medical services.

The most important thing is that the process of rendering aid toward liquidating nuclear weapons has not been completed. [1'20" break in transmission] ...Ukraine sent letters to the presidents of Russia, the USA, France, and the British prime minister containing a description of the situation that has taken shape around the issue of granting security guarantees to [word indistinct], and proposals concerning the signing of a multilateral memorandum. We reported these issues at a session of two commissions: a commission for foreign affairs and a commission for defense on 30 October. Proceeding from the results of the discussion that took place at that session, we were charged with taking additional measures to step up work connected with obtaining guarantees of our national security from foreign states. As a result of this work, as a result of the stand taken by nuclear states, we received official reports from the United States of America, Great Britain, and Russia—I repeat this: official reports in the form of notes—to the effect that these states support the proposal to provide, fix national security guarantees in a special memorandum to be signed by the heads of these nuclear states.

I would like to say that it was not an easy process. At first, no one even wanted to talk with us about these guarantees. However, we managed to convince our partners that Ukraine made the history- making decision voluntarily, no one forced us to make such an important decision, but we made it and we demand, and this is a normal demand, that our national security guarantees are ensured.

I would like to emphasize that the extraordinary political significance of granting Ukraine security guarantees lies in setting them out precisely in the shape of a multilateral international legal document. Because this is exactly what the Supreme Council reservations were demanding from us, and this is exactly where our efforts were geared to. The fact that we managed to agree on the signing of such a document is unprecedented, without any exaggeration, and is a milestone in the present-day international relations. For the first time in history nuclear states agree to provide targeted guarantees to one separate state, and what is more, this is fixed by the heads of state, and Ukraine becomes one of the signatories to the document. I can also tell you that there were many discussions around the issue of whether Ukraine too, would agree to sign this document. We succeeded in convincing our partners of this.

To make it clear what kind of a breakthrough I have in mind I will tell you that only 18 months ago nuclear capitals refused even to listen to any possible talk about guarantees, to discuss this theme as such, to say nothing about any document. The accession of all other nonnuclear states, nonnuclear countries to the NPT was not accompanied by such a reciprocal move on the part of the nuclear states.

Of course, we paid much attention to the content of the guarantees. At the beginning of this large-scale work we came across a wall of misunderstanding, unpreparedness, sometimes total unpreparedness, to take into account Ukraine's realistic and specific demands.

Persistent, scrupulous, balanced work and efforts at all levels yielded their results. The text of the memorandum has been coordinated. We received it this morning. It, in particular, envisages that the USA, Great Britain, and Russia assume an obligation—this is the basis of these guarantees, if you want—to respect independence, sovereignty, and the existing borders of Ukraine, to refrain from threat of force or use of force against the territorial integrity or political independence of Ukraine using any kind of weapons and, what is a rare phenomenon in international legal practice, to refrain from exerting economic pressure on Ukraine. I would like you to pay attention to the fact that not only...[pauses] Our political independence depends on our economic development, and economic pressure on us is possible, but here nuclear states assume an obligation not to threaten us with economic pressure.

An important element is the procedure for its implementation through consultations between the three nuclear states and Ukraine, if any issues come about concerning the fulfillment by the parties of the obligations envisaged by the memorandum. Frankly speaking, more guarantees can be received only within the framework of a military union, although, this is also a contradictory issue, one can agree or disagree with this reasoning. However, one should bear in mind that attempts by many nonnuclear countries to resolve in their interests the issue of receiving guarantees of not using force against them within the framework of the Geneva Disarmament Conference have not been a success so far.

If the issue of Ukraine's accession to the NPT is resolved positively, it is envisaged to hold a special ceremony at a Budapest summit, during which the top leaders of the USA, Russia, Great Britain, and Ukraine will sign a memorandum on Ukraine's security guarantees. Besides, it is planned that four states: the USA, Russia, Great Britain, and Ukraine will simultaneously make a statement on the consolidation of international peace and security.

As far as granting security guarantees to Ukraine on the part of France is concerned, a compromise decision was reached to set out these guarantees in the shape of a declaration. What is more, the French side expressed its readiness to provide this declaration at any time suitable for Ukraine.

One more thing. It seems to me that time has come to get rid of political illusions, which over the past years have prevented us from achieving positive results, both in domestic-economic and foreign-political spheres. We should at last learn how to make serious political decisions and be responsible for them, the more so that the first word has already been pronounced. What is left to be said is something that logically stems from the previous statements made earlier on behalf of Ukraine.

I am profoundly convinced that for us to hang on to illusory nuclear weapons in this decisive period of our history has no future. Our security is in our society's social stability, our people's economic well-being, and a powerful Armed Forces provided with everything necessary. For this, we, above all, have to concentrate on carrying out in-depth economic reforms that are only possible on condition that they have the actual and effective backing of our partners, both in the West and in the East. We are not to expect any such backing without acceding to the NPT.

The real situation that has come about, our tactical and strategic national interests lead us to the only possible decision of Ukraine's accession to the NPT. This will unequivocally support Ukraine's prestige as the state that abides by its international obligations, as a reliable and predictable partner devoid of the Byzantine diplomacy complex.

Esteemed deputies. We have been approaching this move gradually, with difficulties, but purposefully. In July 1990 the Supreme Council in its declaration of Ukraine's state sovereignty solemnly proclaimed its intention to abide by three nonnuclear principles. In the appeal to the parliaments and peoples of the world of 5 December 1991, in an appeal in connection with the signing of the CIS agreement of 20 December 1991, in the appeal on Ukraine's nonnuclear status of 24 October 1991, in the resolution on additional measures to ensure Ukraine's obtaining nonnuclear status of 9 April 1992, and in other decisions and resolutions the Supreme Council confirmed Ukraine's intention to accede to the NPT as a nonnuclear state. By ratifying the Lisbon Protocol, Ukraine assumed a legal obligation to do this, which was reaffirmed in the trilateral statement of 14 January 1994. The last move is left to be made—to make a decision itself on Ukraine's accession to the nuclear weapons Nonproliferation Treaty. The time has come for this. It is up to you now to make a decision, esteemed deputies.

Thanks for your attention.

Horbulin Predicts U.S. Will Not 'Fulfill' Deal

WS1611151194 Kiev INTELNEWS in English 1135 GMT 15 Nov 94

[FBIS Transcribed Text] Kiev, Nov. 14—Presidential National Security Advisor Volodymyr Horbulin predicted Monday the United States would not fulfill its obligations outlined in the January Trilateral Agreement between Russia, the United States and Ukraine.

On a five-point scale, Horbulin gave Ukraine—"5," Russia—"4" and the United States—"3." Horbulin explained that Russia properly delivered nuclear fuel for Ukraine's nuclear plants in exchange for nuclear warheads, while the United States "delivered insufficient supplies (for dismantlement)."

Horbulin said Ukraine recklessly declared it would be a non-nuclear state and would not join any military bloc. "I sent several letters to (former President) Leonid Kravchuk, informing him Ukraine would not be able to become a non-nuclear state before Jan. 1, 1995. This cannot be done technically," Horbulin said.

Ukraine would carry out all its obligations if it declared non-nuclear status, but "Ukraine's decision should be responsible and we should receive political guarantees of security," said Horbulin.

All provisions of the space cooperation agreement to be signed in Washington during President Leonid Kuchma's visit next week have already been set, he said. The agreement provides cooperation in space geology, space communication, and Chernobyl area research.

Horbulin believes Ukraine is not likely to obtain the right to launch commercial spaceships comparable to Russian projects. "But the agreement on space cooperation will be the first step towards future advances, because it will open new prospects for Ukraine to participate in international projects," said Horbulin.

Russian Party of Crimea Appeals To Russian Duma

MK1611125094 Moscow NEZAVISIMAYA GAZETA in Russian 16 Nov 94 p 3

[Report by Aleksandr Pilat under the "NEGA Reports" rubric: "Crimea"—all quotation marks as published]

[FBIS Translated Text] A session of the Russian Party of Crimea political council has adopted an Appeal to the State Duma and the Federation Council of the Russian Federation Federal Assembly. "The powerful multinational state of the USSR was destroyed through the fault of the communists and democrats, and we, the Russian people, are doomed to participation in global geopolitical gambles whose objective is finally to fragment the once great Russia, where open attempts are being made to set the Russian people against their Slav brothers and the Muslim world." It is approximately in the same spirit, as far as we know, that a Russian-Ukrainian treaty is being planned.

The appeal further underlines that the Russian Party is the only political organization in Crimea today that has taken upon itself to protect the Russian nation on the peninsula. The Russian Party of Crimea is convinced that the only acceptable option in a bid finally to resolve the issue of Crimea's status is an all-Crimea referendum, "and the fraternal peoples of Russia and Ukraine should realize: all other roads spell interethnic confrontation, a real possibility of a social explosion, which is even worse than an armed conflict."

"We realize," the appeal says, "that there are certain political forces both inside and outside Russia that would not mind if Russian statehood disintegrates and the Russian people are in the end destroyed." We therefore want our voice to be heard, and we make an insistent appeal to the Russian parliament, to political, public, and state figures, to take into account our demands regarding the ratification of the Russian-Ukrainian treaty.

The position of the Russian Party of Crimea is as follows: to create a trilateral commission to study the question of abolishing the 1954 act "On the Transfer of Crimea Oblast to Ukraine;" to create all conditions for a civilized and legal restoration of Crimea to the Russian Federation, preserving its statehood; to consider the issue of confirming a Russian status of Sevastopol as the main base of the Russian Black Sea Fleet; to create immediately a parliamentary commission in Russia to study the problems of the Russian people in Crimea and subsequently to provide humanitarian, economic, and other aid.

Observers, however, point out the fact that no political problem on the peninsula can be solved today without taking account of the interests of the native Crimean Tatar people whose aim is the recognition of their right to national self-determination in their historical home in Crimea as part of an independent Ukraine.

In the meantime, a plenipotentiary delegation of Crimea's Supreme Soviet led by Viktor Mezhak, deputy speaker of the Crimean parliament, has arrived in Moscow for the open parliamentary hearings in the Russian Federation State Duma "On Russian-Ukrainian Relations," in which the problems of Crimea, Sevastopol, and Black Sea Fleet status loom large. The Supreme Soviet is represented in the hearings by deputies Yuriy Boldyrev and Sergey Golovatyy. Feliks Gromov, Russian Navy commander-in-chief, and Black Sea Fleet Commander Eduard Baltin are expected to speak at the hearings.

Kuchma 'Confident' With Price Reforms

MM1611144694 Moscow ROSSIYSKAYA GAZETA in Russian 12 Nov 94 p 1

["Topical Subject" article by Vladimir Kuznechevskiy: "Kuchma Strides Forward. Radical Reform of Economic System Begins in Ukraine"]

[FBIS Translated Text] When on 11 October Ukrainian President Leonid Kuchma delivered his report in parliament on the ways and means of radically reforming the economy, as famous now as it was unexpected then, the Supreme Council became tense, thinking: It looks like the president has decided to break his own neck....

But Kuchma did not waste the long months of enforced inactivity in parliament (when he resigned from his post as prime minister following a difference of opinion with L. Kravchuk). It is now clear that he was having a very close look at the Russian experience of price liberalization in January 1992 and that he will try not to repeat the mistakes made then.

The president bode his time for 100 days, without delivering a program speech—that in itself was a surprise to the Supreme Council. He ran through his ideas with the "new Ukrainians"—entrepreneurs and bankers—making corrections to his speech as he was working on it, met with representatives from the provinces, and went there himself.

Then in November the thing itself finally appeared—the liberalization of prices.

As was to be expected, prices, once they were given their head, instantly raced away. As early as 9 November 1 kg of potatoes cost up to 50,000 karbovantsi (it was 8,000 some weeks earlier), apples tripled in price and broke the 100,000 mark, and meat went up to 250,000.

The government was prepared for this leap. Under its decision low-income citizens had already been paid 15 trillion karbovantsi, and wages and pensions had increased. Trade union leaders, who were somewhat flabbergasted by the sudden leap in prices and who immediately made complaints about this to everybody—the president, government, and Supreme Council—were forced to acknowledge that the "prescribed level of increase in wages compensated for the increased level [of prices] as at October," although—and this is in their opinion the main drawback—the reforms are not of a preemptive nature. Who will dispute that it would have been much better had the government fixed a wage that "outdistanced" prices.... But the trade unions did not get as far as these syllogisms, which is why I would say their protest was mild.

Although in some places in the provinces they did contrive both to obtain subsidies and to prevent prices from being freed. This happened, for example, in Donetsk. Naturally, citizens immediately removed everything possible from the stores.

The Supreme Council unexpectedly found itself in a difficult situation. Interrupting its vacation, parliament hurriedly—evidently banking on the population's mass dissatisfaction—tried to discuss reform. Speaker of Parliament A. Moroz, a Socialist, even made a throwaway remark that has become a byword: "I can personally rescind the executive branch's decisions."

But there was no rescission either from the speaker or from the entire Supreme Council. Above all because the population, having received an index-linked increase in wages and pensions as well as the government's promise to index-link the population's income in the next few weeks, did not show any more indignation. Only in Kiev did a disorganized demonstration of protesters muster a few thousand people.

On the whole the provinces have tended to support the president in his dispute with parliament. The Khmelnitskiy Oblast leadership even proposed that Deputy Premier Pinzenyk make their territory a test site for presidential innovations. While the executive branch in Donetsk, Luhansk, Odessa, Rovno, Volyn, and Lvov Oblasts and in the Republic of Crimea reacted extremely negatively to the speaker of parliament's envoys, who assumed the role of inspectors.

Especially as many "liaison officers" turned out to be members of the Socialist Party.

Kuchma himself is keeping his finger on the pulse and instantly reacting to the slightest change in the situation. While reproaching the Supreme Council for being guided by slogans rather than helping the president and government find a way out of the deep crisis in which Ukraine finds itself, he simultaneously ordered the government to sit down at the negotiating table with the trade unions immediately and find compromise solutions making it possible to confidently continue the reform that has been started.

Meanwhile I have no doubt that in Moscow Gaydar and his team are watching Kiev's every move. Maybe they are jealous?

Pynzenyk on Reform Results, Plans

WS1711131594 Kiev RADA in Ukrainian 10 Nov 94 p 1

[Interview with First Deputy Prime Minister Viktor Pynzenyk, by Iryna Chemerys; place and date not given: "After a Certain Period of Time People Will Realize That Nobody Needs Dollars in Ukraine"—first paragraph is RADA introduction]

[FBIS Translated Text] Many people believe that Viktor Pynzenyk, newly-appointed first deputy prime minister responsible for the global issues of economic reform, will become a team leader. In fact, he had a similar role in the Kuchma government, however he looked somewhat lonely then. Will he be able to realize his plans this time?

[Chemerys] Prior to your appointment, the government made three reformative steps—unified hard currency exchange rates, freed prices and export operations. Have there been any results?

[Pynzenyk] All the aforementioned decisions are linked to one another. Ukraine is suffering from a lack of hard currency, thus it must increase exports to compensate the expenditures on import operations, especially the import of power resources. The problem was how to bring back to Ukraine the hard currency kept in foreign bank accounts. Had we unified the exchange rate without granting free access to the currency exchange, companies would now continue to conceal their hard currency revenues. Meanwhile last Thursday at the Ukrainian Currency Exchange, the demand for hard currency was fully met for the first time ever. This is not a coincidence. The purchasing of dollars used to be one of the ways to save money from devaluation. Today, we are preserving a positive interest rate and it is more profitable to have karbovanets accounts. That is to say we have created appropriate conditions and the people are no longer afraid to sell dollars, for they know that by depositing karbovanetses they can gain more than by keeping dollars "in a safe place."

Of course, some people still do not believe in our guarantees, but we pledge that the currency exchange will stay open and we will preserve a positive interest rate. Strict observance of these principles will guarantee that enterprises will continue to sell currency. There have been first signs of positive changes—the volumes of unforced (!) sales of currency have grown 14 times and the number of applications for the purchase of hard currency has decreased by some 40 percent. Thus, we have the first signals of positive changes.

[Chemerys] Would it not be expedient to introduce a 100- percent [compulsory] sale of currency?

[Pynzenyk] I remember how difficult it was in psychological terms to accept the 50-percent compulsory sale of currency back in 1993, despite the fact that a free-market price was paid. That is why it would be better not to introduce a 100-percent sale. We should have a couple of months to give people time to realize that nobody needs dollars, for the latter can always be bought and besides, karbovantsi deposited in banks yield higher dividends. We will then be able to introduce a 100-percent sale of currency.

[Chemerys] Have we received the first allotment of the system- transforming IMF credit? If so, have we used this money at the currency exchange?

[Pynzenyk] The credit has been transferred to the Ukrainian National Bank's account on 31 October. This money cannot be allocated to anyone; it can only be used to compensate the balance of payment deficit, by sale at the currency exchange. There was no need to do that at the recent session though, for the demand was met in full.

[Chemerys] Given that the refinancing rate has reached 300 percent, have we entered the era of "expensive" money?

[Pynzenyk] Let us clarify the notion "expensive" money. Inflation in Ukraine reached 84 percent in the first nine months of 1994. In August, the interest rate for credits taken was five times higher than the inflation rate. The current monthly refinancing rate is 25 percent, and predicted inflation in October (we have not received the final data yet) was 20 percent. Thus, credit is not that expensive. Besides, enterprises have large stockpiles of unsold products. If they do not want to take credits they are free to sell their products. Preferential credits can only be issued at the cost of ripping off people or taking money from other enterprises. In addition, another phenomenon exists in Ukraine—corruption.

[Chemerys] Would you risk predicting further prices changes?

[Pynzenyk] We may have to bring some prices down. Unfortunately, over recent years we became accustomed to the following scenario—after prices are freed, the economy is fed with new money, which produces price hikes. I would like to emphasize that this time the situation will be different; we will not be dragged into a new spin of inflation. While conducting the current liberalization of prices the government is going to apply tough monetary restrictions and I would recommend that all those who fix prices for their products be careful, for otherwise they may later be trapped by a crisis of sales. When I see that enterprises fix their profitability norms at 25 percent, I have certain doubts, to say the least.

[Chemerys] What will be the government's next steps?

[Pynzenyk] I believe that the most urgent task is to eliminate budget deficit. Remember, we always said that inflation in our state is kept down by monetary means? However, monetary emission conducted by the National Bank of Ukraine makes up 90 percent of the budget deficit. Of course, if the budget gives subsidies to producers, there is no money for medicine, education, the Army, or science. That is why we intend to gradually reduce subsidies and retarget them to support consumers. At this stage, when prices are freed, additional allowances solely for the socially insecure groups will not be sufficient. However in the future, we will only be supporting the poor.

At this point we would like to draft such a budget for 1995, which we would not have to remodel later. Our budget has never been drafted in accordance with this scheme. Tell me which is better—to do it the traditional way or wait until it is properly balanced?

The tax bill is another priority. It will include a profit tax and a lower VAT. Finally, we have to choose a different path—taxes should be low but paid by everyone. In fact, the lowering of taxes is a benefit, but by doing so we will separate the state budget and the revenues of the enterprises. That is to say we will not levy high taxes, but once collected, those funds will belong to the budget and the enterprises will have no right to claim them.

[Chemerys] Does the tax reform envision anything unconventional, like "tax vacations"?

[Pynzenyk] I believe that if we manage to implement our plans, this will be unconventional in itself. Until now, we have had high taxes, tax-breaks, and embezzlement. We now want to grant breaks to everybody and make everybody function under equal conditions. If somebody has to be supported, this should be done by the budget and not by granting tax-breaks.

As for unconventional methods, people tend to believe that some wonderful reform program will be invented, but what we actually need is political will.

'Inertia' Threatens Price Liberalization Success

WS1711112194 Kiev INTELNEWS in English 0236 GMT 17 Nov 94

[FBIS Transcribed Text] Kiev, Nov. 15—The inertia of regional leaders may turn President Leonid Kuchma's radical economic reform plan into just a package of empty promises, Deputy Prime Minister Viktor Pynzenyk said Wednesday.

"Each day the Ukrainian budget loses 300 billion karbovantsi because the regions do not carry out the government decisions on price liberalization," said Pynzenyk at the Council of Regions meeting. He believes every 10 days of dragging out implementation will cause an additional 15 percent inflation.

President Kuchma has threatened to fire oblast council chairs if governmental decrees are not carried out.

Price liberalization is being administered unevenly, say government officials. "Five days after the price liberalization decree was put in force, only Donetsk oblast adopted the appropriate decision on bread prices while meat and milk prices were revised by no region at all," Pynzenyk said.

Bread prices did not rise in Crimea, while meat prices stayed stable in Crimea, Kirovohrad, and Mykolayiv. Pynzenyk said 14 oblast councils and the Sevastopol city council did not change municipal transportation prices, while "in Kherson we see total communism—public transportation is free of charge," Pynzenyk said.

The current situation promotes "magnificent conditions for profiteering and corruption," said Pynzenyk. He threatened to fire those oblast authorities who ignore government decisions and to ignore appeals for state money from those oblasts which did not introduce governmental decrees. Pynzenyk committed himself to the fight against monopolistic structures. "Either we will beat them, or they will beat us," he said.

Officials Brief on Economic, Land Reforms

LD1611230394 Moscow ITAR-TASS in English 2144 GMT 16 Nov 94

[By UKRINFORM for TASS]

[FBIS Transcribed Text] Kiev 17 Nov (TASS)—Ukrainian Vice Premier Petr Sablyuk, presidential adviser on macroeconomics Anatoliy Ganchinskiy and Chairman of the Ukrainian State Committee for Land

Resources Borys Chepkov briefed journalists on presidential plan for economic reforms on Wednesday.

The panellists focused on a most important aspect of the reforms - privatization. Land reform is getting under way in Ukraine - President Leonid Kravchuk issued a relevant decree. However, privatization should not be confined to agriculture.

Large-scale privatization is a matter of extreme importance, they emphasized.

Privatization is not just a constituent part of the economic reform package, it is its decisive part, they added.

Related issues take a conspicuous place in the president's recent actions and decisions. Parliament's resolution on perfecting the privatization mechanism virtually put a moratorium on privatization in Ukraine. (Members of the presidential team) are doing their best now to block the resolution. Kravchuk intends to take counter- measures in advance. In particular, he intends to issue a package of decrees aimed at stepping up the small-, medium- and large-scale privatization in Ukraine.

Winter Preparations Receive Government Criticism

LD1611230494 Moscow ITAR-TASS World Service in Russian 1642 GMT 16 Nov 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Translated Text] Kiev, 16 Nov—At today's session the Supreme Soviet deemed as inadequate the work carried out by the government to provide the national economy and the population with electricity and heat in the autumn and winter period of 1994-95.

The cabinet of ministers has been instructed, together with the National Bank, to resolve the question of providing credit to the Ministry of Power Engineering and the State Committee for the Use of Nuclear Power exclusively to acquire fuel and to the State Committee for the Coal Industry to activate coal faces which have already been prepared by mineworkers and to increase coal extraction by this means.

The Supreme Soviet demanded that the government work out and introduce effective mechanisms to implement decisions on fulfillment of programs previously adopted for the development of sectors of Ukraine's fuel and power complex; it envisaged the allocation of the necessary capital investments in the plan for the economic and social development of Ukraine for 1995.

The decision lays particular emphasis on the importance of adopting the necessary measures to halt the drain of qualified personnel from the sectors of the fuel and energy complex and increasing incentives for highly productive work. The government is instructed to introduce considerable alterations to the tariff policy in power engineering while at the same time introducing measures for the social protection of particularly vulnerable strata of the population.

The cabinet of ministers has been set the task, in the first half of 1995, of submitting for consideration by the Supreme Soviet a draft National Power Engineering Program and of speeding up the drafting of other legislative acts to provide legislative back-up for the activity of sectors of the fuel and energy complex.

Admiral Kozhyn on BSF Commission Talks

AU1611185594 Lvov ZA VILNU UKRAYINU in Ukrainian 4 Nov 94 pp 1,2

["Topical" interview with Rear Admiral Borys Kozhyn, Ukraine's people's deputy, member of the Commission for Issues of Defense and State Security and member of Ukraine's People's Rukh [Movement for Perestroyka] deputies faction, by Myroslav Levytskyy; place and date not given: "The Question of Fleet Division Is Nothing But a Political Game"]

[FBIS Translated Text] **Recently, Ukraine's Supreme Council Commission for Issues of Defense and State Security and the Commission for Foreign Affairs stated that the principles of division of the Black Sea Fleet among Ukraine and the Russian Federation do not conform to the interests of Ukraine. A special commission is presently dealing with issues of dividing the fleet. The meager pieces of information on its work that one can obtain at Ukraine's Ministry of Foreign Affairs and at the presidential administration do not always coincide. Consequently, the public knows next to nothing about the true situation regarding the fleet division.**

Our correspondent discusses this topic with Rear Admiral Borys Kozhyn, Ukraine's people's deputy, member of the Commission for Issues of Defense and State Security and member of the deputies faction of Ukraine's People's Rukh.

[Kozhyn] Taking this opportunity, as the first commander of Ukraine Naval Forces, I want to express gratitude to the Galicians for their great moral and material assistance to Ukraine's Naval Forces. In the initial stage of fleet formation, that assistance was of great patriotic significance. It was an inspiration for us.

Recently, I had a meeting with Vice Admiral Volodymyr Bezkorovaynyy, commander of Ukraine's Naval Forces, and we discussed all trends in the activity of Ukraine's Naval Forces. There are now very many unresolved problems.

[Levytskyy] Which of them are the most important?

[Kozhyn] The main problem is the lack of a program for building ships for Ukraine's Naval Forces. We do not have money to complete the building of those ships that are presently at ship- building yards. No less important is the fact that officers of Ukraine's Naval Forces receive salaries that are one-fifth of what Black Sea Fleet officers are getting. This is absurd.

[Levytskyy] What do you know about the course of negotiations on the division of the Black Sea Fleet? The information that we managed to "extract" from Ukrainian Deputy Foreign Minister Borys Tarasyuk is not as optimistic as it is presented by Presidential Press Secretary Mykhaylo Doroshenko.

[Kozhyn] When I was commander of Ukraine's Naval Forces, I stood up for declaring all those military formations that are deployed on the territory of our state to be ours. I also maintain this position as a people's deputy. This is in conformity with our state legislation. The Black Sea Fleet is situated on the territory of our state and, de jure, belongs to Ukraine.

However, if one takes the actual aspect of the matter, the Black Sea Fleet is presently controlled by representatives of Russian Naval Forces. They receive instructions from Moscow. It is precisely for the high salaries that many officers fulfill the commands from Moscow. A ship that has been used for 25 years is no longer in operational order and must be written off for scrapping. The Black Sea Fleet is an old fleet in which 90 percent of ships are at least 15 years old, and they will shortly be scrapped.

[Levytskyy] What significance does the Black Sea Fleet present for Russia in such a case? Why is there so much ado about its division?

[Kozhyn] I am convinced that the issue of dividing the fleet is nothing but a political game. If our state uses the right political tactics, this problem will be resolved to the benefit of Ukraine. If economic reforms are implemented, this will contribute to resolving the questions of the fleet and of the Crimea in general.

Regarding the value of the fleet, I, as a military man, want to stress that both Sevastopol and other Black Sea bases are of strategic importance, because they have access to the Mediterranean Sea and, from there, to the Atlantic Ocean. When strategic bases are being taken away from a state, it will do everything to fight for them.

[Levytskyy] Mr. Rear Admiral, you mentioned problems with ship building. The other day, there sounded a slogan: "Every oblast must build a ship for the fleet." Is this issue still topical, and is this undertaking under way?

[Kozhyn] If everything is limited to a slogan, it will never produce results. You remember the times when Ukraine's first defense minister, Kostyantyn Morozov, asked the people, through the mass media, to have every Ukrainian oblast sponsor the building of one ship and of one dwelling house for Ukraine's Naval Forces. When I was the commander, I supported that action fully. We now have the Lutsk ship. I am grateful for this to my fellow countrymen in Volyn Oblast. Donetsk also donated a ship to Ukraine's Naval Forces. The Ukrayina ship is presently under construction. It is 94 percent finished by now. It only remains to find funds for the remaining 6 percent in order to commission it. It would be a nonsense to have it stand idle because of the unavailable 6 percent.

We must also find money to build housing. There are now 2,200 officers in Ukraine's Naval Forces who have such difficult service and no homes. It is simply a disgrace for the state not to take care of accommodation of its defenders and their families.

[Levytskyy] This is a very important issue, because there is an exodus of cadres from Ukraine's Armed Forces due to the housing problem. Are there any realistic prospects for resolving this problem?

[Kozhyn] I hope that the situation will change. The Ukrainian president has signed an edict on establishing patronage ties between oblasts and Ukraine's Naval Forces. The commander of Ukraine's Naval Forces, Vice Admiral Volodymyr Bezkorovaynyy, said that he would appeal to oblast leaders for support in building both the ships and housing.

As a Ukraine people's deputy, I also made every effort to promote this undertaking. A special fund will be created for supporting Ukraine's Naval Forces. Receipts to the fund and expenditure from it will be covered by the mass media. I therefore hope that, in a couple of months, the mass media will report on new ships in Ukraine's Naval Forces.

As a deputy, I have my own idea of the future of the Ukrainian Army. I am in favor of a professional army. It must be strong, but not so large as now. A number of specific measures must be introduced. This may take four or five years. The main obstacle is that same housing problem.

[Levytskyy] Regarding professional armed forces, there are two concepts. Some people believe that, at the present stage, Ukraine is too poor to afford a professional army. However, there is also an opinion that professional forces will be less expensive than an army based on conscription. What is your practical serviceman's attitude to this problem?

[Kozhyn] I fully support the latter concept. When a new conscript rides an armored personnel carrier or an automobile, he may reduce them, within one and one-half years, to such a state that several repairs will be necessary to return them into operational condition. When a professional uses a car for which he is answerable, it may work for 15 years.

[Levytskyy] Mr. Rear Admiral, let me ask you, as a people's deputy, the following final question. The philosophy of reforming Ukraine proposed by President Kuchma's team is presently at the focus of attention of the public and politicians. Acute discussions both in favor and against it are in progress. There are many voices that draw the line of distinction between the presidential concept and possibilities for its implementation. Do you think that the presidential program is realistic?

[Kozhyn] Do you remember how, the other day, Ukraine's Supreme Council Chairman Oleksandr Moroz proposed the program for building Ukraine's economy in a socialist direction? We had been subjected to all of those experiments for 75 years and know what they lead to. A system that has brought about an absurd situation has no right to exist. What has been proposed by the president is a confident step toward reforming the state. It is a step toward our people's well- being.

[Levytskyy] There have already been several interesting and promising programs. However, when it came to their implementation and when they were transferred to executive structures, their trace was lost there. There is much talk now to the effect that the presidential concept may be implemented after serious changes are made in the structure of the executive power. Can significant ministerial reshuffling be expected in the near future? Perhaps, even the resignation of Prime Minister Vitaliy Masol?

[Kozhyn] I support this position and want to emphasize that democratic forces did not elect V. Masol as prime minister. I keep a ballot with Masol's name on it as a memento of the Moroz times.

We, the deputies faction of Ukraine's People's Rukh, support the presidential program. The president must clearly specify which team will implement the transformations that are planned. I am convinced that, if the president maintains good relations with Democrats, all the conditions will be created to man the Ukrainian Government with those people who really care about our state and don't take the job in order to fill their pockets with dollars.

[Levytskyy] Thank you for the interview.

Belarus

Lukashenka, Moscow Discuss Gas Pipelines, Debt

WS1711095694 Minsk Radio Minsk Network in Belarusian 0800 GMT 17 Nov 94

[FBIS Translated Text] Economic union between Russia and Belarus is being discussed again in the two states' high echelons of power. As has been admitted by Alyaksandr Lukashenka, the issue of ownership remains the most sensitive one. In particular, Russia wants to come into possession of the Beltransgaz—the pipelines carrying gas via Belarusian territory. This somewhat bewildered our Republic's leadership, given that neither pipelines have ever been blocked on Belarusian territory, nor gas meant for other states has ever been stolen here.

The current foreign debt of Belarus amounts to $1.2 billion. For gas alone, our Republic has to pay Russia $420 million. Pointing this out, President Lukashenka acknowledged that the repayment of the foreign debt is a heavy burden on the Belarusian budget. However the debts, which used to pile up earlier, are being gradually repaid now, in particular the debts to Russia. The leader of the Belarusian state is skeptical with regard to crediting of the Republic by foreign states, given that those debts would have to be repaid by our children.

Poznyak Expresses 'No Confidence' in Lukashenka

LD1611224094 Moscow ITAR-TASS in English 2052 GMT 16 Nov 94

[By BELINFORM correspondent Larisa Klyuchnikova for TASS]

[FBIS Transcribed Text] Minsk November 16--The Belrusian opposition intends to express no confidence in President Alyaksandr Lukashenka, according to Zenon Poznyak, leader of the Belarusian Popular Front.

"The time has come for the impeachment of the president. One who is opensly opposed to Belarusia's sovereignty cannot be president", Poznyak told a news conference in parliament on Wednesday.

According to him, Russian monopolies and certain political circles "pursue a policy aimed at economic seizure of Belarusian property by legalizing financial and industrial unions on the republic's territory."

Since the president came to power four months ago, the national economy has been destroyed even more quicker than before, the Popular Front leader told reporters. According to the estimates of opposition experts, the inflation rate as of the end of September increased by 360 percent as compared with July 10, prices are now rising 14 times as fast as wages and salaries.

Poznyak believes the president's popularity has been gradually declining. However, the opposition leader does not consider the situation to be volatile. It may deteriorate when society is struck by nihilism and indifference as to its future fate. And this may lead to totalitarian rule, Poznyak noted.

Special attention at the news conference was paid to the current situation about the mass media. It was stressed that the executive branch had seized control over the press, which Poznyak described as a totalitarian control.

Speaking about the forthcoming parliamentary elections, the opposition leader said they would be most probably held on the first-passed-the-post system. In fact, the proportional representation was backed only by the opposition, he stressed. When asked about his vision of the future parliament, Poznyak said it would certainly be unable to initiate reforms.

BNF Criticizes Lukashenka as 'Authoritarian'

WS1611105294 Minsk BELAPAN in English 1600 GMT 15 Nov 94

[FBIS Transcribed Text] The Belarusian Popular Front (BNF) faction at the Supreme Soviet have made a statement on the results of Alyaksandr Lukashenka's first 110 days in office. "The president had enough time to lay the foundation for reform, to stop destructive tendencies in economics and politics, and to start creative work for strengthening the state," the statement reads. "Nothing of the kind took place and could not take place because Mr. Lukashenka and the time-servers that support him do not know how to keep their populist promises. The president's actions indicate a tendency to authoritarianism. It is obvious that to save his temporary power, the president and his entourage will try to pay off their debts by means of the national property."

The BNF opposition call upon the society to look together for a way out of the precarious situation, to offer a democratic alternative, which may be realized during the elections for the Supreme Soviet and local councils.

General Views Pullout of Russian Troops

WS1611160394 Minsk ZVYAZDA in Belarusian 4 Nov 94 p 3

[Interview with General Major Yawhen Ivanavich [Yevgeniy Ivanovich] Nikulin, chief of the Belarusian National Agency for Control and Inspections, by Valer Kalinowski; place and date not given: "Russian Troops Pull Out According to Schedule, But Not Without Problems"]

[FBIS Translated Text] **About half of the Russian Federation's military formations allotted to strategic forces, which are temporarily deployed on the territory of the Republic of Belarus, have already left our country. ZVYAZDA was informed about this by General Major Ya.I. Nikulin, chief of the Belarusian National Agency for Control and Inspections. Our territory has still been left with units of long-range aviation and communication of**

central subordination as well as auxiliary services which formerly worked for the center. The pullout of the Russian Federation's troops is being conducted according to an agreement signed by the governments of Belarus and Russia on 24 September 1993, as well as to a schedule. The schedule is being observed without serious breaches. However, as General Major Nikulin notes, there are certain problems and unresolved questions arising in the process of pullout.

ZVYAZDA has asked General Major Nikulin to inform us about the process of pulling out Russian troops from Belarus and the problems connected with this. By the way, by virtue of the Belarusian defense minister's order of 3 September 1994, Ya.I. Nikulin was appointed chairman of the commission for control over the organization of Russian troops' pullout from Belarus.

[Kalinowski] **Yawhen Ivanavich, which documents regulate the deployment and pullout of Russian troops from Belarus?**

[Nikulin] There are three main documents: the agreement between the Republic of Belarus and the Russian Federation on the strategic forces temporarily deployed on the territory of Belarus, signed 20 July 1992; the agreement on the status of Russian military formations, signed 24 September 1993, and the agreement on the procedure for pulling out Russian troops, which includes a concrete schedule.

[Kalinowski] **In which way has the change of leadership in our country influenced the pullout of Russian troops from Belarus?**

[Nikulin] During the presidential electoral campaign, our contacts with the Russian side regarding the issue of a pullout became less active. The new defense minister has shown a serious interest in these issues. By the end of August, [Defense Minister] A. Kastenka held an expanded conference at the Defense Ministry on the pullout of Russian units with the participation of their commanders and representative of interested ministries, namely state property, justice, economy; there were also heads of all Defense Ministry departments. During the conference, the defense minister precisely determined responsibilities for each of them in this issue...

[Kalinowski] **Are we not forcing Russian troops to redeployment?**

[Nikulin] No, the pullout of Russian troops cannot be seen as a wish of the Belarusian people to expel them. We understand that Russians, following the pullout, will face many serious problems, as was seen by the pullout of Russian troops from Germany and the Baltic states: housing for officers, schools for their children, etc. Russian troops are usually redeployed to bare sites, to unordered regions of Transbaykal, Far East, and others. Therefore, we have worked out the schedule without any intention to hurry the pullout. Another reason is that many of our citizens are attached to small Russian military towns. On the other hand, many officers and warrant officers in these units were born in Belarus or, while serving here, established families and received housing. A considerable part of Russian officers and warrant officers is being transferred to the reserves to remain in Belarus.

[Kalinowski] **Apart from this, there is still much old ammunition, bombs, and rocket fuel left in Belarus...**

[Nikulin] Yes, we still have to decide what to do with several thousand bombs leftover. According to the agreement, Russian units take only one basic ammunition load, while the rest is regarded as our property. However, Belarus has no technologies for reprocessing those bombs, for utilizing their explosive material in the national economy. Therefore, we are conducting talks to make Russia take those bombs, which are left from the Soviet Union period, for reprocessing. There are also big problems with rocket fuel and oxidizer. This particular substance is environmentally dangerous. There are thousands of tonnes of it in our country. The conditions of its preservation and protection are under Defense Minister A. Kastenka's personal control. Russia's Defense Ministry Fuels and Lubricants Central Directorate has guaranteed that it will remove all this fuel; by now, 350 tons has been removed. However, the removal is dragging out because of the lack of special containers and tanks adapted for shipping such cargoes... Along with this, I think that it would be good for our state itself to take care of reprocessing and utilizing this substance—highly concentrated nitric acid—in the national economy; the same can be said about the utilization of ammunition. Those substances which can be extricated from military materials today will probably be bought by us for hard currency tomorrow... The third main problem is the aviation testing ground "Dubna" in Mahilyow Oblast, which has been used for bomb-dropping and firing exercises since 1937, but recently was used by Russian troops. By now, around 30,000 hectares of this territory needs to be cleaned and reclaimed.

All these problems will be discussed at a session of the Russian- Belarusian coordinating commission... One of the issues connected with the pullout of Russian troops has already been resolved by us. This refers to those dwelling houses for officers, whose construction was begun in the USSR period, but was frozen following the disintegration of the Soviet Union. We have persuaded the Russians that they should complete the construction of those houses, because they will be the dwellings for their former officers.

[Kalinowski] **What property has been left to Belarus after the pullout of Russian troops? How is this property distributed?**

[Nikulin] Russia will take all that belongs to its units according to their personnel roster; surpluses, including immovables, are being left to Belarus. Equipment and property safeguarding the operation and security of stationary facilities, which are of both military and economic importance, are also being left to Belarus. A competent bilateral commission has been set up for transfer and reception of movable and immovable property. A special governmental commission headed by Deputy Prime Minister Mikhail Myasnikovich determines how the transferred property should be disposed. Dwellings, depositories, and other facilities are mainly being transferred to local authorities. Some facilities are being transferred to Interior Ministry units and border troops. Apartments in military towns usually have occupants. At the initial stage, when no resolution was made as to whom the facilities should be transferred and no appropriate protection established, there were cases of looting in towns committed to no small extent by local residents. The situation has recently been normalized. The biggest problem today is in servicing these towns and maintaining their viability, because military servicing units have been disbanded, while local authorities lack funds to create new ones, to employ yard keepers, stokers, etc. The situation is aggravated by the fact that the transfer of towns is taking place on the eve of wintertime.

[Kalinowski] **Yawhen Ivanavich, we also have concrete launch pads left after Russian missiles were pulled out. According to the agreement on strategic offensive weapons, we should blow up those pads. How many pads have we already blown up, and what has been left after the explosion?**

[Nikulin] We have 81 such pads; one of them has been blown up. These pads are unique concrete constructions measuring 10 by 30 meters. According to the agreement on strategic offensive weapons, such a site can be regarded as destroyed when it is blown up. We have blown up one such pad as an experiment—the concrete has "reared," a hole has been left in the ground... According to the agreement on strategic offensive weapons, all this should remain as is for some time; later, the Russians are obliged to remove all waste and reclaim the territory...

In my opinion, this will be left to our successors... Therefore, our Foreign Ministry will have to work seriously, to begin negotiations with Americans and seek to exclude the agreement provision stipulating that Belarus has to blow up those pads; this may be demanded on the grounds that we do not have our own nuclear weapons, that we have unequivocally renounced them, and can in no way use these launch pads. For the time being, we will not blow up any other sites.

High Costs Halt Missile Launch Pad Destruction

MM1611143494 Moscow KRASNAYA ZVEZDA in Russian 16 Nov 94 p 3

[Report by Valeriy Kovalev: "Destroying Is Not the Same as Building.... But Even This Modest Process Costs Money Too, and Plenty of It"]

[FBIS Translated Text] Following the withdrawal of Russian strategic missile units from Belorussia [Belarus] there are 81 concrete pads left behind where the stand-by missile systems used to be. Under the START I Treaty these installations were to have been compulsorily destroyed by being blown up. But this turned out to be not so easily done. Each pad consists of a huge concrete slab measuring 10 by 30 meters and 1.5 meters thick. One of them was recently blown up as an experiment in the Slutsk area. The powerful explosion split the slab into pieces, fragments weighing many tonnes were thrown around, and a huge crater was formed. It became obvious that a great deal of effort and very considerable financial expenditure would be required to destroy the other 80 pads and to landscape the territories.

Major General Yevgeniy Nikulin, chief of the Belorussian National Agency for Verification and Inspection attached to the Defense Ministry, believes in this regard that the republic's Foreign Ministry should hold talks with the U.S. foreign policy department and obtain an exemption for Belorussia from the paragraph of the treaty that makes it compulsory to blow up the pads. "We have no nuclear weapons of our own, we have unambiguously given them up, and we will be in no way capable of using these installations for the purpose for which they were intended," he said. "So why spend the people's money on destroying the land?"

That is a reasonable question. But how will the U.S. side react to it? The destruction of the pads has been suspended for the time being.

'Source' Notes Sale of Missile Plant

WS1611114494 Minsk BELAPAN in English 1600 GMT 15 Nov 94

[FBIS Transcribed Text] On November 15, the opposition SVABODA newspaper informed with reference to a source at the Ministry of Defense that Minsk intends to sell the missile plant S-300 PMU to the U.S.-Canadian A.T.O.S. International Acquisition Ltd. for approximately $500 million. The deal will be carried out through the Belarusian BELTECHEXPORT company. SVABODA insists that all Belarusian departments concerned have already given their consent. However Russia, where the plant was produced, objects to the deal.

Moldova

Sangheli Cancels U.S. Visit, Flies to Moscow

LD1611143794 Moscow INTERFAX in English 1121 GMT 16 Nov 94

[FBIS Transcribed Text] The Russian Gazprom's tough demands that Kishinev [Chisinau] pay off the debts for consumed fuel have forced [Moldovan] Prime Minister Andrei Sangheli to change the route of his return from Washington, where he was on a working visit. A source in the Moldovan Government said Prime Minister Sangheli is expected to arrive in Moscow Wednesday night or early Thursday morning.

Prime Minister Sangheli is planning to meet with his Russian counterpart Viktor Chernomyrdin and Gazprom leaders in order to find an acceptable way of resolving the problem of debts for Russian gas supplies. According to Kishinev, Gazprom officials insist that Moldova should pay Russia its debt of $250 million.

Moldova says it is prepared to pay part of the debt with World Bank credits, and the remainder with its farm produce.

Chisinau Representative on Peacekeeper Reduction

LD1611215094 Moscow ITAR-TASS in English 1847 GMT 16 Nov 94

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Chisinau November 16 TASS—Moldavia [Moldova] objects to Russia unilaterally reducing its peacekeeping troops in the safety zone in Moldavia's breakaway Dniester region, according to the republic's deputy interior minister.

Viktor Katane, who is also Chisinau's representative in the joint commission for supervising the peace process in the Dniester region, said on Wednesday that "out of Russia's six peacekeeping battalions that were deployed in the region after the armed conflict was stopped, two battalions have already been withdrawn and another two are preparing to leave the safety zone".

"We understand well enough that Russia bears substantial expenses foe their upkeep. However, we flatly object to Russian peacekeepers leaving now that the situation has been aggravated following the railway blockade and other protest actions prompted by the ban imposed by the Dniester authorities upon teaching the Roman alphabet at local Moldavian schools", the deputy interior minister stressed.

According to him, Russian peacekeepers in the safety zone are being replaced with motorized infantry units of the Dniester guards. The deputy minister believes this may trigger a fresh armed conflict.

Money Supply Grows Substantially

AU1611185094 Chisinau INFOTAG in English 1930 GMT 15 Nov 94

[FBIS Transcribed Text] Chisinau INFOTAG, 15/11/1994—The money stock in Moldova grew up by 398 million lei ($94 million) during January to September. The state's money supply amounted to 647.4 million lei.

According to National Bank of Moldova data, the share of cash in circulation in the overall monetary stock has increased from 34.2 percent as on January 1, to 42.1 percent on October 1, 1994.

Envoys on Progress of Council of Europe Issues

AU1611150994 Bucharest ADEVARUL in Romanian 3 Nov 94 p 3

[Mugurel Radulescu report: "Justice Is Being Done by Soviet Norms—Conclusions of the Rapporteurs of the Council of Europe"]

[FBIS Translated Text] A recently released report by Council of Europe envoys on the situation in the Republic of Moldova contains most telling details about the degree of harmony between the internal legal order beyond the Prut River and the basic norms implied by the adherence to that European institution. The report is also relevant for the way in which the Council of Europe perceives the situation of the minorities in Moldova. While admitting that major changes have occurred in recent years, the three experts also examine a number of aspects that, in their opinion, do not accord with Council of Europe requirements. Here we publish several significant passages from that report; the subtitles are ours.

The Rapporteurs Praise Bilingualism

"During our visit, we received the Russian translation of the texts of certain laws and draft laws... In the Republic of Moldova, bilingualism is present in the legislative field; the texts of the draft laws are presented to parliament in the Moldovan (Romanian) language and in the Russian language and are simultaneously published in the two languages...

"On 1 September 1989, (the Parliament) adopted the law on the use of the Moldovan language and the Latin alphabet. The laws on languages have considerably worsened the situation and created defensive reactions in the Dniester and the Gagauz regions..., all the more so as these laws did not define any norms for evaluating the level of one's knowledge of the Moldovan language. Therefore, there is little wonder that the non-Moldovan community is worried about its future.

"We recommend reducing the potential legal consequences of the insufficient knowledge of the Moldovan language and the substantial extension of the time devoted to studying the issue."

Basic Rights Are Limited in Constitution

"By virtue of Article 53 of the Constitution, people whose rights are infringed by the authorities in the wake of the application of an administrative decision (...) can ask that their rights be recognized, that the respective erroneous decision be abrogated, and that equitable reparations be paid. The state bears full legal responsibility for the consequences of errors committed by the courts...

"Article 45 seriously limits these guarantees, since it contains general dispositions that limit the basic rights and freedoms, including those which, in accordance with the European Human Rights Convention (EHRC), are inalienable and cannot be restrained under any circumstance.

"Another disposition that can be criticized is stipulated by Article 55 and links the exercise of rights and freedoms to fulfilling one's duties to the state and society. This can be interpreted as if only those persons who correctly fulfill their duties are entitled to enjoy the respective rights."

Legal Procedures Are at the Prosecutor's Mercy

"More than 45 years of Soviet domination have inevitably left their imprint on the organization and functioning of the national legal system. This body is still based on the basic principles of the Soviet (communist) legal doctrine. The organization of the legal system and the basic laws most often applied in the daily practice were inherited from the old anti-democratic system (the Civil Code, the Civil Procedure Code, the Penal Code, the Penal Procedure Code, and so forth). New democratic ideas and practices are gradually making their way, through legislative changes...

"Regarding the draft law on the reform of the legal system, we were told by various sources that the representatives of the Prosecutor's Office are constantly displaying a more or less open opposition toward the draft reform bill...

"The law of 29 January 1992 on the functioning of the Prosecutor's Office largely preserves the structure and competence of this institution which, alongside the Communist Party and police bodies, played a decisive role in the Soviet society. Formally independent, but actually strongly centralized on the principle of hierarchical subordination, this institution is endowed with powers that are incompatible with the norms and practices of the rule-of- law state. Article No. 1 of the aforementioned law charges the Prosecutor's Office with the task of supervising the way in which all the state's institutions, ministries, control bodies, all economic units, the political parties, the citizens, and so forth are observing the law. The Prosecutor's Office is given the special task of checking the legality of the decisions taken by the courts (sic)...The current legislation permits and even requires the interference of the Prosecutor's Office in the activity of the courts...

"The defendant in generally not admitted to the first interrogations and only in exceptional cases does he have access to the files. Communication between the attorney and the defendant is very limited...

"In keeping with the Labor Code, certain categories of employees are totally deprived of the right to legal control of the measures taken against them by their employers. This does not only apply to the personnel of the Ministry of Interior, but also to the personnel in telecommunications, railways, and so forth. This refusal to grant them the right to resort to the courts is in violation of the European Human Rights Convention...

"We have serious doubts about the current way of setting up a jury... One can also have legitimate doubts about the independence of a court."

Freedom of Movement—With the Accord of the Authorities

"We are concerned about the fact that the exit of Moldovan citizens from the republic's territory is submitted to restrictions, whereby they are required to ask for an exit visa and present it on leaving the country. This is a most serious obstacle, in contradiction with Article 2 Paragraph 2 of Protocol No. 4 of the Council of Europe. Article 80 of the Penal Code terms the exit from the Republic of Moldova without the approval of the authorities as a violation punishable with up to five years in prison."

One of the conclusions reached by the three Council of Europe rapporteurs leaves no doubt whatsoever: "The situation is very difficult for the supporters of reform. Contempt for the law and the lack of democratic spirit and traditions are an obstacle that affects the majority of the country's population."

Kazakhstan

Germany Satisfied With Activity of Kazakh German Council

LD1611095394 Almaty PANORAMA in Russian 12 Nov 9r p 7

[FBIS Translated Text] The German leadership is satisfied with the activities of the Council of Germans in Kazakhstan. According to estimates by Aleksandr Dederer, chief of the Council of Germans in Kazakhstan, the number of those who left Kazakhstan to settle permanently in Germany this year may reach some 130,000 people.

Meanwhile, the leadership of the Council of Germans places great hopes on the upcoming visit by President Nazarbayev to German House, the residence of the Council of Germans in Kazakhstan. The local German community regard this as a major step toward supporting their hopes. Recently Aleksandr Dederer received a message from Federal German Chancellor Helmut Kohl and from Interior Ministry officials. The documents expressed satisfaction at the activities of the Council of Germans in Kazakhstan and promised further support for it from the FRG.

Apart from this, during his stay in Alma-Ata [Almaty], Willy Wimmer, a Bundestag deputy and vice president of the Conference on Security and Cooperation in Europe—part of whose duties include, in particular, support for the development of national minorities—held a meeting with the leaders of the Council of Germans in Kazakhstan.

Thus, today the top political leadership of Germany and authoritative international organizations are involved in the solution of German problems in Kazakhstan. One of the latter, in particular, is the Friedrich Ebbert Fund.

"Our international contacts allow us to take part in a democratic way in exercising the rights of an ethnic minority on equal terms with the ethnic majority," stated Mr. Dederer.

Experts from the German Council have applied to Kazakhstan's Culture and Education Ministry with specific proposals on reviving German culture in Kazakhstan. The Economics Ministry is rendering assistance to the development of German business.

"The Economics Ministry fully supports our project of assistance to local and German entrepreneurs," stated Mr. Dréderer. "But we are still only at the beginning; it is necessary for us to get state guarantees and currency credits."

Iran To Build Motor Oil Factory in Kazakhstan

LD1611131494 Tehran IRNA in English 1248 GMT 16 Nov 94

[FBIS Transcribed Text] Tehran, Nov. 16, IRNA—Kazakhstan is to construct a motor oil factory adjacent to the Atrao Refinery on the Caspian Sea's northernmost coast, reported the English-language daily 'IRAN NEWS' here Wednesday [16 November].

The paper, not mentioning the source of the report, wrote that the Iranian and Kazakh officials embarked upon negotiations for the project which would probably be built by Iranian experts. Iran's implementation of the project, as well as the oil and gas pipeline in Central Asia, could be considered as the first serious step for organized use of Iranian manpower and expertise in the global labor market, noted the paper.

It stressed that Tehran could provide the safest and most economical route for the Central Asian republics and Caucasus to export their gas and oil to the international market. The valuable experiences of Iran in oil industries and its special position in the region have prepared favorable ground for its entrance into the global labor market, the paper wrote.

Government Cancels Standing Order for Grain Purchases

LD1611223694 Moscow INTERFAX in English 2024 GMT 16 Nov 94

[FBIS Transcribed Text] The Kazakh Government cancelled the state order for delivery of grain starting from the next year's harvest, Kazakh Vice Premier Akhmetzhan Yesimov told Interfax today.

He said the Kazakh government had adopted a special resolution on the issue which would be made known in the media on 17 November.

Yesimov said this was "one of the most important market moves by the government." He added that after cancelling the state order direct contracts would be concluded between producers and consumers.

The state order was 5 million tonnes of grain in Kazakhstan during 1994 while 18.5 million tonnes of grain were collected. The state assumed to supply some state establishments with bread and bakery products and to create a state grain insurance fund.

Grain will be freely sold and bought on the Kazakh Agricultural and Industrial Exchange. Prices for it will be published in weekly bulletins.

The Astyk state joint stock company, the monopolist on the Kazakh grain market, will store grain for state needs on the contractual basis. Yesimov said that producers themselves could decide to who sell grain on the exchange.

Yesimov said the crops area for grain in the republic was likely to be reduced from 20 million hectares to 18-19 million hectares. He said the crops area would remain unchanged "in the main grain-producing regions" and the crops area in the desert zone where five or six centners were collected from a hectare would be used for producing fodder for cattle.

Deputy Prime Minister Comments on Economic Situation

LD1611162194 Almaty PANORAMA in Russian 12 Nov 94 p 3

[FBIS Translated Text] Deputy Prime Minister Mette has promised to abolish unjustified administrative restrictions on the production and export of precious metals.

Addressing a meeting of industrialists in Ust-Kamenogorsk, Vitaliy Mette, deputy prime minister, pointed out several decisions that may become the basis of the government's industrial policy in the near future.

Therefore, the most important task for producers should be the establishment of efficient cooperation with energy suppliers and transport workers so the mass of nonpayments does not increase while the volumes of shipments and energy supply do not drop. The government, for its part, will do its best to restrain electricity tariffs at least until spring; otherwise, many enterprises may simply come to a halt. The difficulty of the situation with electricity is that the price for electricity in eastern Kazakhstan is the lowest as a whole in the country and is kept at a level of .82-.84 tenge per kilowatt compared to 1.85 tenge on average throughout the Republic.

At the same time, electricity produced in the Republic costs consumers much less than imported electricity. Three regions in the west of Kazakhstan, where the electricity lines from Ekibastuz do not reach and which receive electricity from Russia, notably increase the total cost of electricity which is supplied from Russia at the price of 2.4 tenge per kilowatt and from Kyrgyzstan at a price of 3 tenge per kilowatt. This has led to Kazakhstan owing Russia $150 million.

In these conditions the government has to average the prices throughout all the regions, despite the industrialists' references to the fact that electricity consumption in the south is quite different. Any compromise movement by the government is possible only if all debts are paid and all electricity supplied from abroad is paid for.

At the same time, according to Deputy Prime Minister Mitte, "Kazakhstan is unable to come to the standard situation where industrial electricity consumers are subsidised by domestic consumers as happens, for example, in the Baltic countries. This will not happen here due to low population density and the small amount of electricity consumed by them—only 16 percent. An agreement on certain privileges has been reached with the railways: If a cargo being shipped exceeds 100,000 tonnes, the rate will be cut by up to 30 percent as long as a 50 percent advance payment is made."

The deputy prime minister summed up the situation, where foreign credits are not repaid and state guarantees are recalled, as damaging the national interests of Kazakhstan. Credits can be extended only if there is a qualified business plan which shows all the sources for repaying credits. According to western experts whom the deputy prime minister has met, the business plans currently being represented do not meet accepted standards by a long chalk.

Vitaliy Mette also pointed out the encouraging attitude of the government and the president to the active creation of financial and industrial groups with the participation of foreign enterprises, especially Russian and Ukrainian ones. "Where the situation can be facilitated it must be done," the deputy prime minister declared. During the first six months next year, the government should work out and implement a mechanism of at least partial compensation for savings in banks that have lost their value.

Speaking about the new taxation code, Mette noted that discussion of it in the Cabinet of Ministers brought forth a lot of remarks concerning the amount of VAT, but the new code, which will facilitate considerably the position of producers, should be adopted by parliament by the end of this year, the deputy prime minister declared.

The situation that has arisen at the plant producing lead and zinc is, to a considerable degree, typical of all the enterprises of Eastern Kazakhstan Region. The enterprise's nonpayments to Kazakh producers total 775 million tenge and the problem must be settled efficiently using internal reserves and $50 million of foreign credits, in which the government must help in obtaining 15-20 million long-term credits.

If the credits are not received, the enterprise will have to freeze a unique construction program, which in any case has been curtailed during the last few years. Even with the existing electricity prices—1.5 cents instead of 70 cents abroad—the production of zinc, lead, and copper is unprofitable and the enterprise actually receives profits from precious metals, gold, and silver, the processing of which has unjustifiably tough restrictions that constrain gold mining in the Republic.

Deputy Prime Minister Mette called the situation absurd when Kazakhstan is the world's 15th largest copper producer, while it is only among the top 70 as regards copper content in ore and it is third in the world in gold reserves with very modest production volumes. To change this the deputy prime minister promised to do everything in order to abolish all unjustified restrictions on producing and exporting precious metals.

A way to cut production costs and increase competitiveness would be the unification of all miners in a technological chain which would allow VAT contributions to be cut. At the same time, it was stressed in every possible way that the creation of financial and industrial groups should come from below and in every such group there should be a bank, insurance company, and investment fund.

Tajikistan

Rakhmanov on Form of Economic Administration

LD1611120994 Dushanbe Radio Tajikistan Network in Tajik 0645 GMT 16 Nov 94

[Speech by Tajikistan's President Emomali Rakhmanov at first session of Tajikistan Parliament in Dushanbe—live]

[FBIS Translated Excerpt] [passage omitted] We must put into effect a very profitable system of administration within a very short period. We must acknowledge that the system of ruling the economy is disjointed, and that all shortcomings and mistakes are derived from this. In the last two years the Supreme Council and Council of Ministers have approved good resolutions, but the bureaucratic administrative body, which is continuously increasing in size, does not not carry out its duties and sometimes prevents work from being implemented. Most ministries, enterprises, and local authorities are operating under the old methods, and do not take cognizance of one important thing: that the transition to a market economy demands knowledge, ability, new thinking, and advanced methods of running the economy.

We intend to rely on the Constitution approved by the people to create an advanced system capable of ensuring comprehensive management of the economy.

In the light of this, a system of management will be applied, both in appointing chairmen in the regions, towns, and districts, and in appointing heads of state enterprises and plants. This means that the heads of industrial plants will be appointed according to the principles of professionalism and responsibility, and not according to local or regional interest. [passage omitted]

On Unity, Elections

LD1611133694 Dushanbe Radio Tajikistan Network in Tajik 0645 GMT 16 Nov 94

[Speech by Tajikistan's President Emomali Rakhmanov at first session of Tajikistan's Parliament in Dushanbe—live]

[FBIS Translated Excerpt] [passage omitted] We hope that 1995 will be a year of peace and wisdom in the Tajik land. With this intention we will continue political negotiations.

Another phase in the legal and political reform of our country is to be completed at the beginning of this year. We will hold elections of people's deputies and elect the Supreme Assembly on the basis of the Constitution. I hope this upcoming important political event will form a foundation for our unity, a unity based on a democratic and constitutional state ideology.

If the people do not lend their support, the best-laid plans and ambitions, dreams and ideals will remain mere pieces of paper. In this context, I once more take this opportunity to appeal to my dear people to be unanimous and united in these crucial days. Let us struggle as one for the development of our homeland, for our children's happiness. Let us forgive each other's guilt for the sake of a better life for today's rising generation. Let us open our hearts to our friends for the sake of the integrity of the dear homeland and for the sake of our good name. Let us seek to get out of the crisis and put the interests of our country and nation above personal interest.

I am quite sure that my dear people and all the inhabitants of the Republic will spare no effort or enthusiasm in implementing this good dream and wish. Thank you.

Frontier Guards' Statement Deplores Hostilities

LD1611191094 Moscow ITAR-TASS in English 1710 GMT 16 Nov 94

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Transcribed Text] Moscow November 16 TASS—Press service of the federal frontier guard service of Russian Federation has circulated a statement on current situation at the Tajik-Afghan border.

Developments of the past few days cannot but arouse feelings of bitterness and profound regret in connection with the on-going intensification of hostilities on the part of the irreconcilable armed opposition, which are aimed against Russian frontier guards, the document reads.

According to it, hundreds of thousands of people took a breath of relief one month ago, when an agreement was reached on temporary cease-fire at the Tajik-Afghan frontier and within Tajikistan for the duration of peace talks. At long last, Tajik citizens came to hope that long-awaited peace would set in the republic and pave the way to resolving the economic difficulties. The families of Russian frontier guards, who serve in Tajikistan, also hoped that gunfire at the border would cease. Unfortunately, the hope has not come true so far.

"From 20 October, militants violated the agreement on 40 occasions. Armed groups attempted to force their way across the frontier 25 times. Russian frontier guard outposts received fire from various firearms on 13 occasions. On 15 November, two groups of militants opened fire on the premises of the 11th outpost of the Moskovsky frontier-guard detachment and then assailed frontier guards' posts," the statement reads.

It is now obvious that the forces of the irreconcilable opposition do not carry out their commitments and that is why further developments at the Tajik-Afghan border still arouses concern.

"Russian frontier guards neither fight with the opposition, nor interfere into the domestic affairs of the republic. They do not obstruct refugees' return from Afghanistan to their homeland, which they left in time of trouble. But they have suppressed and will continue to suppress all attempts at forceful violation of the border, deliveries of contraband, arms and drugs of addiction," the statement reads.

The federal frontier guard service of the Russian Federation called on the opposition leaders to stop all military actions at the frontier and ensure complete and unconditional observation of the agreement on temporary cease-fire, which should result in stopping the bloodshed immmediately and providing proper conditions for settling the situation in the region.

Turkmenistan

President Niyazov on Cooperation With Romania

LD1611214594 Moscow ITAR-TASS World Service in Russian 2022 GMT 16 Nov 94

[By ITAR-TASS correspondent Nikolay Morozov]

[FBIS Translated Text] Bucharest, 16 Nov—We consider Russia our strategic economic partner and are not ashamed to exchange opinions with the Russian leadership on many issues in order to coordinate international economic links to the benefit of both. Turkmen President Saparmurat Niyazov stressed this today during a news conference after the signing of official Romanian-Turkmen documents. Therefore, a number of Russian companies will also be involved in the construction of a gas pipeline from Turkmenistan to Europe through Iran and Turkey alongside Romanian specialists. But we see Romania as Turkmenistan's gateway to Europe. That is why cooperation between us is mutually advantageous and is directed toward the development of both countries.

Turkmen-Romanian cooperation should not be to the detriment of third countries, the president noted. To this end we have an agreement with the Russian leadership under which natural gas for Romania will arrive by gas pipeline through Russia so that both Turkmenistan and Russia benefit.

Today, at the end of the Turkmen president's official visit to Romania, S. Niyazov and I. Iliescu signed a declaration on relations of friendship and cooperation between the two countries. Intergovernmental agreements on commercial and economic relations and scientific and technical cooperation, on incentives and mutual protection for investments, on cooperation in the field of culture, and on other issues were also signed.

After the signing of the documents, Romanian President Ion Iliescu said that a certain experience of mutual relations has been built up between Romania and Turkmenistan. The present visit is politically important for the prospects of developing bilateral links in this difficult transition period. Romania and Turkmenistan aspire to play the role of factors of stability and international cooperation in their regions.

Niyazov Comments on Business Meeting With Austrians

MM1711104094 Moscow PRAVDA in Russian 17 Nov 94 p 3

[Report by Igor Melnikov: "S. Niyazov: 'Even Nobel Taught Us...'"]

[FBIS Translated Text] Vienna, 16 Nov— Saparmurat Niyazov, president and chairman of the Council of Ministers of Turkmenistan, was accorded the same official signs of courtesy as other guests. It was, however, something else—the amount of attention paid by the business milieu—which was the real indicator of the interest in him. Even before the start of his visit business circles had been actively discussing the extensive opportunities afforded by this Central Asian country rich in oil, gas, cotton, and astrakhan and the preferential terms on offer for foreign investors, specially in the sphere of tax policy.

The main hall of the Federal Economic Chamber was full, and the mood of the assembly vividly reminded me of the atmosphere of now half-forgotten euphoria which reigned within these walls two to three years ago during the speeches by the presidents of Kazakhstan and Uzbekistan. Niyazov immediately won over the experienced Austrian businessmen and showed his knowledge of the problems.

When it was time for questions from the body of the hall, one manager began to describe in a somewhat didactic tone what his company could teach regarding the development of oil fields. "We have learned a thing or two ourselves in the last 10 years," said Niyazov, bringing the businessman back down to earth from his high-flown rhetoric. "And even earlier, for example, from Nobel who, at the start of our century, drilled oil wells on the Turkmen coast of the Caspian...."

Austrian businessmen who have been working in contact with Turkmen partners for several years now took the floor several times during the discussion. They all spoke approvingly of their operating conditions in that far-off country.

The two-day visit ended with the signing of an agreement on economic and trade cooperation between Turkmenistan and Austria.

Saparmurat Niyazov answered your PRAVDA correspondent's questions.

[Melnikov] You are the third politician from the Central Asian region, after Nazarbayev and Karimov, to visit Austria. Clearly, you will have to compete with them. What strategic areas of cooperation will Turkmenistan choose?

[Niyazov] There will no competition with our neighbors in a direct sense. Each one has to cooperate with Austria, which offers promising and multifaceted partnership, on a bilateral basis. A cooperation program has been drawn up as part of the agreement signed in Vienna. What I would particularly like to note is our desire to work invariably in close contact with Russia in all areas of economic activity. The indissolubility and strength of our ties are very important.

[Melnikov] What impression have you brought away with you from your meeting with Austrian business people?

[Niyazov] I've gotten a first-rate feeling. Their reaction to my words has a perfectly understandable basis, it is built on the realities and a desire for civilized cooperation, which offers mutual benefit. The reality of the material gain is also appreciable.

Uzbekistan

No Agreement With IMF on Conditions for Credit

LD1611142594 Moscow INTERFAX in English 1121 GMT 16 Nov 94

[FBIS Transcribed Text] During the negotiations in Tashkent this week Uzbekistan and the International Monetary Fund (IMF) failed to agree to conditions under which this organization will grant a $140-million credit to this republic, well-informed sources in Tashkent reported to the Financial Information Agency.

According to preliminary agreements, the republic's leadership was ready to fulfill several demands of the IMF in order to receive the credit. These funds were supposed to be allocated in 1994-95 in two equal parts over 10 years at an annual interest rate of 5 percent and with a three year delay in payment.

The IMF mission in Tashkent and the Uzbek Government refused to comment on the course of the negotiations and to explain the reasons due to which the parties failed to reach consent. However, reliable sources reported that the inability of the Uzbek leadership to bring the official and market rate of the sum (Uzbekistan's monetary unit) closer and to ensure requirements of hard currency exchange offices are the major causes of the negotiations' failure.

As of 16 November the sum's exchange rate on the Central Bank of Uzbekistan is 23 sums per dollar whereas the exchange rate of "the black market" is 30-31 sums per dollar. The government has changed principles for distributing enterprises' currency earnings to satisfy the demand for foreign currency. From 14 November the norm of allocations has been increased from 15 to 30 percent of the currency earnings. Simultaneously, the Central Bank of Uzbekistan has been commissioned to forward greater volumes of currency to the exchange offices. However, experts indicated that the new regime has just gone into effect and it is early to speak about its efficiency.

The IMF has also recommend to Tashkent to liberalize prices. Nevertheless, Uzbekistan preserves state subsidies for bread products and sugar, the prices for everyday fuel and energy are approximately 500 lower than the world ones.

The next sitting of the IMF Directors Board is expected to adopt its final decision on possible allocation of a credit to Uzbekistan.

Counterfeit $100 Bills Circulating on Black Market

LD1711092794 Tashkent Radio Tashkent Network in Uzbek 1400 GMT 16 Nov 94

[FBIS Translated Excerpt] Twelve republican banks authorized to take part in foreign currency transactions took part in trading on the Uzbek Republican Foreign Currency Exchange on 16 November 1994. [passage omitted]

The Central Bank of the Republic of Uzbekistan again urges citizens of Uzbekistan to be careful when buying dollars on the black market. It is reported that $8.5 billion were brought into Russia recently, and that $1.5 billion of this is circulating on the black market in CIS countries, including Uzbekistan. According to Russian and other foreign media reports, millions of high-quality forged $100 bills have flooded into Europe and the CIS countries. This money is so well-made that only the top experts in dealing with foreign currency can identify them.

The only way for citizens to guard against this is to buy hard currency at offices authorized to exchange currency.

Armenia

Opposition To Call For President's Dismissal

NC1611142194 Yerevan SNARK in English 1003 GMT 16 Nov 94

[FBIS Transcribed Text] Yerevan, November 16 (SNARK)—Tomorrow at the meeting in Yerevan opposition intends to claim for president Levon Ter-Petrosian's dismissal, stated today representatives of three parties, National-Democratic Union, Association of "National Self-Determination" and the Union "Constitutional Law".

Organizers of the meeting reported that a procession to the presidential residence is expected on Friday [18 November].

The distributed mutual statement for press says, this procession anticipates the replacement of the leading group by "authorities of national agreement".

According to authors of the statement, "peaceful meeting and processions, supported by people will make the authorities yield."

One of national-democrats leaders Shavarsh Kocharian declared to reporters that "President Ter-Petrosian has no moral right to remain on his post."

Energy Crisis Forces Work To Restart Nuclear Station

MK1611130094 Moscow NEZAVISIMAYA GAZETA in Russian 16 Nov 94 p 3

[Report by Armen Khanbabyan: "Electric Power Crisis Pegs Out. AES Can Save the Situation"]

[FBIS Translated Excerpt] A most acute energy shortage has again hit Armenia in recent days. Electricity is no longer provided to homes with the by now usual regularity of two hours a day; radio and television broadcast time has been cut; the operation of industrial enterprises has become almost totally paralyzed; and electrical transport in Yerevan may grind to a halt, including the metro, which is also threatened with subterranean flooding. [passage omitted]

The regularly repeated forces majeures in the energy complex are making the government speed up work to restore the first generator of the Armenian AES [Atomic Electric Power Station] despite the lingering apprehensions in the neighboring states. Yuriy Vishnevskiy, representative of the Russian State Committee for the Supervision of Nuclear and Radiation Safety, who visited Armenia the other day, has stated that his impressions on visiting the AES "have exceeded all expectations." According to Mr. Vishnevskiy, he did not expect to see a so well-organized and intelligent work of the repair workers. Both Mr. Vishnevskiy and Armenia Deputy Premier Vigen Chitechyan, however, confirmed that the remaining main problem is to insure the 100-percent safety of the AES. Unless safety is fully guaranteed, the station will not be started up. Besides, individual issues connected with irregular deliveries of some units and parts, and the shortage of specialists, remain unresolved. Still, both the Armenian and Russian nuclear energy experts are rather optimistic and are convinced that only the restarting of station can appreciably reverse the situation connected with the disruption of electricity supply in the country. No one, however, ventures to name the precise dates the station will go on line. One thing, though, is clear: It is not going to happen this winter.

Karabakh Official: 'No Essential Changes' From Talks

NC1611213994 Yerevan SNARK in English 1309 GMT 16 Nov 94

[FBIS Transcribed Text] Yerevan, 16 November (SNARK)—The regular meeting on peaceful settlement of Karabakh conflict carried out in Moscow at a level of foreign ministries of Azerbaijan, Armenia and Nagorno-Karabakh has ended, yielding no essential changes in the character of negotiations process, the NKR [Nagorno-Karabakh Republic] Foreign Minister's adviser Manvel Sarkissian told SNARK today.

Meeting participants tried to find new ways to resolve the most complicated problems, said Sarkissian who represented Nagorno-Karabakh, however these efforts did not give yet any reliable results.

The cause of these—actually futile—talks is absence of coordination between Russian and CSCE peace missions, thinks Sarkissian. However he expressed a hope that the nine-state CSCE meeting that started Tuesday [15 November] in Moscow will clarify their joint position on Nagorno-Karabakh.

Possibility of Reforms Said To Be 'Exhausted'

NC1611220794 Yerevan SNARK in English 1639 GMT 16 Nov 94

[FBIS Transcribed Text] Yerevan, 15 November. (SNARK)—Today we have exhausted all possibilities to carry out reforms in Armenia by our own resources, the Armenian President's acting spokesman Levon Zourabian told journalists. According to him, the lasting armistice and perspectives for peace in Karabakh served as ground to obtain the international economic aid and investments, a fact that makes feasible the essentially new program of reforms.

Also today the presidential decree was published, calling a special session of parliament on 17 November to discuss the issues of a new economic program developed by the government.

Financial Institutions Accused of Fraud

NC1611212894 Yerevan SNARK in English 1309 GMT 16 Nov 94

[FBIS Transcribed Text] Yerevan, 16 November (SNARK)—"Numerous commercial banks and financial credit organizations were established in Armenia during the transitional period, that were engaged in illegal activity by collecting money from population and giving false promises," says the joint statement of deceived investors distributed today. The statement demands a non-confidence vote by parliament to the Central Bank chairman Bagrat Assatrian, and losses recovery by the Armenian President before April 1995.

Earlier, a meeting of suffered investors was organized by Dashnaktsutiun party. "The action manifests only civil position of Dashnaktsutiun, it has no political motives and bears purely legal and economic character," declared the party members.

Parliamentary economic committee chairman Ruben Torossian who appeared at the meeting told that a special committee has been set up in the parliament that will investigate the case. Haykandoukht woman party leader, Armenouhi Kazarian, placed all responsibility for unpaid debts on the Central Bank chairman, calling the government policy towards depositors as a "state racket."

Participants prepared a draft resolution for the parliament committee, including deposits recovery schedule. As source, the Central Bank reserves and tax inspectio [item incomplete as received]

Central Bank Chairman Sees Low Inflation by End 1995

LD1611221794 Tbilisi IPRINDA in Russian 1400 GMT 16 Nov 94

[FBIS Translated Text] Yerevan (IPRINDA)—Armenian Central Bank Chairman Bagrat Asatryan told an IPRINDA correspondent that by the end of 1995 inflation in Armenia will fall to a level equal to about 1 percent per month. The country's budget for 1995 will not make provisions for any measure which are not supported financially. No preferential credits will be granted. Bread and electricity price rises planned for 1 December will lead to a 45 percent general increase in prices. Asatryan expects the dollar to rise 50 points against the dram at the beginning of December; however, he thinks that it will start to fall in mid-December. Credits which are to be granted by the IMF will for the first time provide the Armenian Central Bank with reserves allowing it to control the value of the dram.

Azerbaijan

Aliyev Meets With Iranian Deputy Foreign Minister

NC1611204294 Baku TURAN in English 1452 GMT 16 Nov 94

[FBIS Transcribed Text] Baku (November 16) TURAN—Today Geydar Aliyev met with Iranian Deputy Foreign Minister Mahmud Va'ezi, who is in Baku with an official visit.

During the talks Va'ezi told that his visit was connected with fulfilling some tasks given by the Iranian president Hashemi-Rafsanjani after his meeting with Geydar Aliyev in Ashgabat. These are tasks concerning the agreements obtained in economy and culture. He noted that he had political consultations in Baku with Azerbaijan's Foreign Minister Gasan Gasanov. "We discussed Armenian-Azeri conflict, in particular, and we noted with satisfaction that reconciliation between the parties obtained in May still continues," said Va'ezi.

Next month a delegation headed by Speaker of Iranian Parliament Nateg-Nuri is arriving in Azerbaijan. The purpose of a visit is to develop bilateral relations between Iran and Azerbaijan in all spheres of life, said Va'esi.

Geydar Aliyev said that after his meeting with Rafsanjani in Ashgabad, Iran had done some work. Iran rendered Azerbaijan humanitarian aid and Geydar Aliyev thanked Iranian leadership for that. The president also said that he instructed relevant offices to implement bilateral agreements.

"The difficulties concerning broadcasting the Iranian television program in Azerbaijan had been eliminated and arrival in Baku of special delegation for the solution of all formalities is necessary," noted Aliyev. Speaking about the problems concerning the cooperation in the Caspian Sea Aliyev said that "Iran and Azerbaijan should cooperate in that issue jointly. A lot of work had been done, [item received unfinished]

Guliyev Gives News Conference on Consortium

NC1611210994 Baku TURAN in English 0832 GMT 16 Nov 94

[FBIS Transcribed Text] Baku (November 16) TURAN—Last evening there was a press conference of the speaker of Azeri Parliament, Rasul Guliyev, dedicated to ratification of the oil contract between Azerbaijan and western consortium.

Rasul Guliyev said that "the issue concerning passing of 5 per cent Azeri share in the contract to Iran's National Oil Company is yet to be settled and Iran's Oil Minister and SOCAR's [State Oil Company of Azerbaijan] President signed the protocol on intention to hand 5 per cent of share to Iran. This issue will be discussed and final resolution will be adopted after consultations with the participants of the western consortium," he said.

Rasul Guliyev excluded the possibility of expanding of Lukoil's share in the project. He also said the oil consortium can be expanded and new states can be included in the project.

Rasul Guliyev mentioned that at present four routes of export oil pipeline are under consideration. One of them will go out to Novorossisk, three others will go out to Turkey's oil terminal in Mediterranean sea. The variant with pipeline through Georgia is expensive and through

Armenia is not real, Rasul Guliyev said. At the same time he mentioned that it would be better if part of oil pipeline passed through Nakhichevan Autonomous Republic. He thinks that is will help to settle Nakhichevan's problems with energy resources.

Touching upon the status of Caspian sea, the speaker of Azeri Parliament said acknowledged Azerbaijan's position. He said that belonging of Caspian mineral resources to this or that country is defined by the sections, which had been marked in 1970's. Only fishing and navigation issues can be the subject of discussion, Rasul Guliyev said.

Speaking about the forthcoming Parliamentary elections, Azeri speaker said that the law on elections will be discussed by the Milli Mejlis in December 1994. The elections are scheduled for July-August, 1995.

Rasul Guliyev added that presently several systems for conduction of elections are considered: majoritary, proportional, and mixed.

Foreign Minister Demands Captured Territories Be Freed

LD1611201994 Moscow INTERFAX in English 1635 GMT 16 Nov 94

[From the "Diplomatic Panorama" feature, by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] The head of Azeri diplomacy Gasan Gasanov says that the need to free the Azeri cities of Shusha and Lachin from invasion is of strategic importance for political solution to the Armenian-Azeri conflict.

"This is a crucial issue for Azerbaijan," he told Interfax. According to the minister, Baku's attitude to a settlement in Karabakh remains unchanged—"the occupation troops should be withdrawn from all the invaded Azeri territories, after which negotiations on the status of Nagorny Karabakh [Nagorno-Karabakh] will be continued."

As he said, about one half of the CSCE members have agreed to join the process of forming CSCE peacekeeping forces for Nagorny Karabakh in one way or another. As for the CSCE missions in the region, they can be opened in Baku and Yerevan, but not in Nagorny Karabakh, Gasanov said.

Turkey's Envoy Views CSCE Success in Conflict Settlement

NC1611214494 Baku TURAN in English 0911 GMT 16 Nov 94

[FBIS Transcribed Text] Baku (November 16) TURAN—Over the past two months more than 10 CSCE-member states expressed readiness to send their military contingents for participation in peace- keeping operations in Nagorno-Karabakh and several additional countries are also ready to provide logistical assistance, Turkey's Ambassador to Azerbaijan, Altan Karamanoglu, told Turan's correspondent. Turkey's Ambassador said that on 18 November 1994 there will be the meeting among the representatives of the CSCE and one can expect that new steps in this direction will be taken. Turkey's Ambassador thinks that "by the beginning of the meeting, which is scheduled for December, the CSCE will achieve great success in settlement of the Armenian-Azerbaijani conflict."

Addressing to ratified oil contract, Altan Karamanoglu said that "we are glad to see that you become the masters of your own riches." He also mentioned that Azerbaijan must itself establish the route of the oil pipeline "but it is clear that at last oil will be gone out to Mediterranean coast. This place if the most advantageous for Azerbaijan since oil can be removed from that to the world markets," Turkey's Ambassador said.

Georgia

Shevardnadze, Turkish President in Joint News Conference

LD1511151994 Tbilisi IPRINDA in Russian 1400 GMT 15 Nov 94

[FBIS Translated Text] Tbilisi (IPRINDA)—On the afternoon of 15 November, at the end of their talks, Georgian Head of State Eduard Shevardnadze and Turkish President Suleyman Demirel held a joint news conference.

According to Shevardnadze, they had discussed prospects for further cooperation and questions of economic integration (roads and power lines). He noted Turkey's great financial support (electricity supplies, etc.) for Georgia, which is in a difficult economic situation. Shevardnadze said that they had also discussed conflicts in the Caucasus and ways to resolve them.

For his part, Turkish President Demirel noted that Turkey was the first country to recognize Georgian independence. He reported that Georgia had been granted credit worth $50 million, $42 million of which have already been used. Further credit worth $50 million is planned. Demirel said that a large group of Turkish businessmen have accompanied him to Georgia. They want to establish close contacts with Georgian industrialists.

Demirel thanked Shevardnadze for his position regarding the Turks deported from Meskheti (southern Georgia).

Poll: Under 30% Support Shvardnadze's Policies

LD1511214094 Tbilisi SAKINFORM in Russian 1957 GMT 15 Nov 94

[FBIS Translated Text] In a poll conducted by the For Life civic movement's sociological service, 29 percent of the respondents said they support Eduard Shevardnadze's policies. Seventeen percent of the polled said they do not believe any political leader in Georgia today. Eleven percent believe that the chairman of the Supreme Council of Ajaria, Aslan Abashidze, should be Georgia's leader. Eight percent trust former Georgian president Zviad Gamsakhurdia, who, they are sure, is alive.

Among parties and political organizations, the greatest share of support went to the National-Democratic Party of Georgia, led by Giorgi Chanturia.

Ajaria Seeks Resumption of Energy, Gas Supplies

LD1611223894 Moscow INTERFAX in English 1937 GMT 16 Nov 94

[FBIS Transcribed Text] Numerous spontaneous rallies were held in Ajaria, an autonomous republic in Georgia, to demand resumption of energy and gas supply, official sources in Batumi told Interfax.

Local opposition leaders argued that Tbilisi is fully supplied with energy, gas and water while they did not reach Ajaria.

Ajarian leader Aslan Abashidze told a rally that the lack of gas and energy was attributable to a break up in a pipeline in Turkmenistan.

Meanwhile, in most parts of Tbilisi energy is not supplied for days on end and there has been no gas for a sixth day in a row, an Interfax correspondent reports.

The Georgian government decided to reduce the working day by an hour in all budget-financed organizations from 16 November to 1 March.

The authorities promise to have the gas supplies resumed probably on Sunday [20 November].

Turkey Begins Delivering Electricity Supply

LD1611215394 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 16 Nov 94

[FBIS Translated Text] A Black Sea Press correspondent has been told by a member of the Georgian-Turkish interparliamentary commission, Georgian MP Rostom Dolidze, that according to an agreement, Turkey yesterday began to supply Georgia with 100 MW of electricity a day. The supply of electricity is expected to reach 140 MW a day in the very near future.

Paper Gives Results of Poll on Economic Reform

AU1611133494 Tbilisi KAVKASIONI in Georgian 2 Nov 94 p 1, 3

["Sociological Survey"; figures as published]

[FBIS Translated Text] The Georgian Institute for the Study of Public Opinion conducted a sociological survey in Tbilisi on 17-23 October, the aim of which was to ascertain public opinion concerning such topical issues as:

1. The economic reforms that have begun;

2. The market economy;

3. An assessment of the family's and country's economic situation;

4. Attitude toward privatization vouchers;

5. The population's expected reaction to the increase in taxation;

6. The population's attitude toward state institutions;

7. An assessment of personal values.

One thousand respondents were polled on the basis of random selection. Great importance is attached to the mood of the population in order to implement reforms in a normal fashion. Therefore, it is essential, on the one hand, to study the views of the population and, on the other hand, to inform citizens of this.

One glance at the survey shows that the process of adaption to a market economy is proceeding quickly in Georgia. The population is supporting the reforms, is realistically assessing events, and, what is most pleasant, in spite of the existing problems, is itself demanding the speeding up of reforms and it is this that conditions the critical attitude toward the government.

It is an interesting fact that a large part of the population is afraid lest the progress of reforms causes large-scale protest actions. However, when asked whether they themselves would take part in such actions, a similarly large number gave a negative reply. As can be seen, a tendency toward stability has become firmly established among the population, but citizens are less informed about the mood of society.

Therefore, we think it should be interesting to inform you about this detailed sociological survey.

1.

Do you think it right that a market economy be formed in Georgia?

	1994 October	1993 May
	Percent	
Yes	60.9	46.7
No	15.2	31.7
Don't know	23.8	20.4

2.

Do you think it is necessary to implement economic reforms in Georgia today?

	Percent
Yes	72.8
No	7.3
Difficult to say	16.9
Other means exist	3.0

3.

Do you think that economic reforms are being implemented correctly?

	1994 October	1993 May
	Percent	
Yes	8.9	5.9
No	60.3	71.6
Don't know	30.8	12.0

4.

In your view, which model is more acceptable to get the country out of the crisis?

	Percent
The Soviet system	11.9
A market economy and democracy	49.3
A market economy without democracy	5.6
A dictatorship without a market economy	4.0
Don't know	29.1

5.

Do you think that the current economic reforms will result in disturbances and large-scale protest actions on the part of the population?

	Percent
Yes	58.8
No	16.6
Don't know	24.6

6.

How do you think the economic situation will change during the next six months in Georgia?

	1994 October	1993 May
	Percent	
It will improve	11.6	23.8
It will not change	21.6	15.7
It will deteriorate	42.6	44.2
Don't know	28.2	16.3

7.

How will your family's financial situation change in six months as a result of the economic reforms?

	1994 October	1993 May
	Percent	
It will improve	13.6	34.6
It will not change	27.2	17.4
It will deteriorate	30.9	22.6
Don't know	28.2	25.4

8.

What effect will the liberalization of prices have upon your family?

	Percent
It will create difficulties that can be overcome	50.8
It will have no effect at all	50.3
It will create insurmountable difficulties	37.5
Don't know	6.9

9.

In the event that your family's living conditions deteriorate, will you take part in large-scale antigovernment action?

	Percent
I will take an active part	22.7
I will not take part	50.0
Don't know	26.3

10.

What should the authorities do for citizens?

	Percent
Create equal conditions	36.3
Create different conditions	4.4
Make "incomes" equal	12.2
Enable one to realize one's own potential	41.0
Bring into effect "laws of the jungle" ["mglurikanonebi"]	5.4

11.

To which values do you give preference?

	Percent
Freedom	8.4
Belief in God	18.5
Atheism	0.3
Material well-being	27.5
Spiritual prosperity	15.2
A high monetary income	12.8
A clear conscience	13.5
A high position in society	0.7
Modesty	1.7
Communist ideals	1.0

12.

Who do you hold responsible for the fact that your problems have not been resolved?

	Percent
Yourself	15.7
The state	47.2
Both	33.0

13.

What form of ownership do you support?

	Percent
Private ownership	31.2
State ownership	15.3
Mixed ownership	43.9
Don't know	5.6

14.

How is the process of privatization proceeding in Georgia?

	1994 October	1993 May
	Percent	
Very quickly	5.7	8.8
Very slowly	51.7	54.0
At the desired pace	5.7	17.9
Don't know	35.7	17.2

15.

Whose interests does privatization serve in Georgia?

	Percent
Businessmen	15.5
Labor collectives	1.7
Society as a whole	5.1
The current bureaucracy	15.5
Mafia	50.3
The old party nomenklatura	5.7
Others	5.7

16.

How will you use the privatization vouchers?

	Percent
I will sell them for cash	5.4
I will buy securities (shares, certificates, and so forth)	12.7
I will keep them for a certain time	14.4
I will invest them in an enterprise	22.4
Don't know	44.8

17.

Do you think the coupon will harden by the end of the year?

	Percent
It will harden significantly	6.0
It will harden insignificantly	14.3
It will remain unchanged	20.7
There will be an insignificant fall in its value	9.3
There will be a significant fall in its value	21.6
Difficult to say	28.7

18.

Which measure do you consider to be the most expedient for the well-being of your family?

	Percent
Enter the ruble zone	31.7
Harden the coupon so that the lari [name of proposed new currency] may then be introduced	46.0
Introduce the lari immediately	15.3
Other measures	6.7

19.

What action will the population take regarding the increase in taxation (on gas, electricity, communal services)?

	Percent
It will pay	9.7
It will be unable to pay (insufficient coupons)	74.2
It will not pay	12.8
Other action	3.4

20.

Are you satisfied with the activities of hard-currency exchange points?

	Percent
Satisfied	27.7
Dissatisfied	15.0
Have not used them	32.7
Don't know	20.7

21.

Do you think the reforms will result in large-scale unemployment?

	Percent
Yes	69.9
No	6.0
Don't know	22.5

22.

What will you do if you lose your job?

	Percent
I will register as unemployed at the employment exchange	9.8
I will find a new job by myself within the commercial structures	35.9
I will engage in small trade (including the sale of my personal belongings)	7.3
I will open a currency account and live off the interest	2.4
Don't know	44.6

23.

Do you think the present Cabinet of Ministers is able to implement economic reforms successfully?

	Percent
Yes	7.8
No	50.7
Don't know	30.5

24.

Who do you think can implement economic reforms better?

	Percent
The present Cabinet of Ministers	2.1
[The present Cabinet of Ministers] with minor personnel changes	18.4
A new Cabinet of Ministers	28.8
Neither	49.0

25.

Name the statesman under whose leadership economic reforms will be successfully implemented in Georgia?

	Percentage
Eduard Shevardnadze	21.6
Temur Basilia [deputy prime minister for economic issues]	8.1
Irina Sarishvili [leader of National-Democratic Party faction in Parliament, former deputy prime minister]	6.3
Akaki Asatiani [Union of Traditionalists chairman, former head of Supreme Council under ex-President Gamsakhurdia]	1.8
None of them	52.3

26.

To what extent do you have faith in the following institutions?

	Have Faith	Have No Faith	Don't Know
	Percentage		
Georgian Parliament (under Speaker Goguadze)	7.5	82.2	10.2
Georgian Government (under Prime Minister Patsatsia)	6.9	83.5	9.7
Georgian press	16.2	65.8	17.0
Georgian television	22.5	63.4	14.2

The Georgian Institute for the Study of Public Opinion (Gelapi). Tel.: 23-70-12.

Russian, Georgian Border Troops Hold Joint Conference

MM1611135894 Moscow KRASNAYA ZVEZDA in Russian 16 Nov 94 p 2

[Report by Vitaliy Denisov: "Russian and Georgian Border Guards Have One Job—Defending the Border"]

[FBIS Translated Text] Tbilisi—For the first time since the creation of the Georgian Border Troops a joint conference has been held with the Russian Border Troops command. Taking part were Lieutenant General Viktor Zemtsov, commander of the Caucasus Special Border District; Major General Vyacheslav Chistousov, commander of the Russian Border Troops' "Georgia" troop group; Major General Valeriy Chkheidze, commander of the Georgian Border Troops; and the commanders of Russian and Georgian border units. The conference discussed questions of improving collaboration between the two countries' border guards in protecting the southern border of the CIS, the results of and prospects for the joint principle of manpower acquisition for Russian border posts, and other issues.

Defense Ministry Warns Against Provocations

LD1611160594 Tbilisi IPRINDA in Russian 1000 GMT 16 Nov 94

[FBIS Translated Text] Tbilisi (IPRINDA)—The Georgian Defense Ministry issued a statement 16 November saying that certain forces have recently attempted to penetrate the positions of military units. In this connection, the Georgian Defense Ministry states that its personnel obey their commanders and may even use force in order to prevent various kinds of provocation.

Estonia

Country Favors Full Membership in NATO

LD1511212394 Moscow INTERFAX in English 2019 GMT 15 Nov 94

[FBIS Transcribed Text] Estonian President Lennart Meri believes that normalization of the Republic's relations with Russia "is very important" for his country.

Speaking at a meeting with the commander of the Danish Defense forces, Jorgen Lung, on Tuesday [15 November] in Tallinn, he declared that mutual trust between the parties should be at the basis of their relations. "Estonia is the creator but not consumer of peace in the Baltic region."

During this meeting Meri also reported that he assesses Estonia's participation in NATO's Partnership for Peace program as an important step on the way to full membership in this organization.

Lung pointed out that NATO's program gives guarantees of stability in the region "without formal participation of any countries in the military alliance."

Luik Interviewed on WEU, NATO Security Cooperation

LD1511135694

[FBIS Editorial Report] Tallinn Radio Tallinn Network in Estonian at 1000 GMT on 15 November carries a four-minute recording of an interview with Estonian Foreign Minister Juri Luik by an unidentified correspondent. The venue is not given.

Asked about his speech at the meeting of foreign and defense ministers of the West European Union [WEU] in Noordwijk, the Netherlands, Luik says: The issue of how it is possible to include the Baltic states in defense cooperation of the European Union has been discussed for quite a long time. "For example, a closed European Union [EU] meeting on the island of Usedom discussed freely the possible defense and security cooperation between the Baltic states and the EU. Some people there expressed the opinion that the Baltic states must be left out of security cooperation—because they have, as some speakers said, a special relationship with Russia, or they cannot be defended; the English term used was indefensible.

"One of the aims of my speech was to emphasize how dangerous such a policy is and how dangerous it is to turn the Baltic states into some kind of gray zone of security, where their membership or their status is ambiguous."

Asked if Estonia should give preference to NATO or the WEU, Juri Luik says: "The Baltic states have no reason to prefer one over another; we will use all those opportunities for integration we are offered by both the WEU and NATO."

Tarand Sees Swedish Vote as Paving Way for Estonia

LD1511193594 Tallinn Radio Tallinn Network in Estonian 1500 GMT 15 Nov 94

[FBIS Translated Excerpt] At a government news conference today, Prime Minister Andres Tarand commented on the impact of the recent Finnish and Swedish referendums on Estonia. Margit Vissak reports:

[Vissak] [Passage omitted] Andres Tarand said that Finland and Sweden have now paved our way to Europe and can speed up our movement on this way—provided that we do our bit.

[Begin Tarand recording] As we see it, Former Swedish Prime Minister Carl Bildt opened the negotiations for Nordic countries to join Europe very rapidly. We have, however, adapted to the speed of foreign policy developments. We regard the Swedish people's decision as a favorable one for us, and I would like to emphasize that in Estonia we are just beginning to discuss the implications for us of a close union with Europe. We should not forget, however, that for us joining Europe is a question of highest priority, a question of survival, so to speak, and only thereafter—at the next stage—the possible negative impact and the ways to avoid it would be discussed. [end recording]

[Vissak] The prime minister said that the Baltic Assembly held in Vilnius—which coincided with the referendum—could be regarded as a joint attempt by Estonia, Latvia, and Lithuania to mobilize themselves on their way to Europe. [passage omitted]

Agreements Ratified With UK, Kazakhstan

LD1711115794 Tallinn Radio Tallinn Network in Estonian 1800 GMT 16 Nov 94

[FBIS Translated Excerpt] The Riigikogu [parliament] today ratified the law on the agreement between the Governments of the Republic of Estonia and the United Kingdom of Great Britain and Northern Ireland on fostering and protecting investments. It was concluded by Estonian Prime Minister Mart Laar and British Foreign Secretary Douglas Hurd on 12 May in London.

An agreement between the Republic of Estonia and the Republic of Kazakhstan on mutual understanding and cooperation was also ratified. Presidents Lennart Meri and Nursultan Nazarbayev concluded this agreement on 10 June during Meri's visit to Almaty. Foreign Minister Juri Luik noted that it forms a basic political agreement, which creates preconditions for developing cooperation between the two countries in various spheres. [passage omitted]

Future of Strategic Fuel Storage Discussed

WS1711090494 Tallinn ETA in English 0759 GMT 16 Nov 94

[From 16 Nov EESTI SONUMID, RAHVA HAAL, p. 1,3,4; "News Bulletin" No. 223/94]

[FBIS Transcribed Text] The people of the village of Miiduranna held a meeting in the "Pirita" Restaurant yesterday to discuss the future of the strategic fuel storage base in Viimsi, formerly used by the Russian Armed Forces. Environment Minister Vootele Hansen, Economy Ministry Vice-chancellor Arvi Hamburg and director of company "N-Terminaal" Endel Siff were present and explained their views.

The fuel storage base is located 37 metres underground and can survive even explosions of nuclear warheads. The base has three 800 metre underground tanks with a total volume of 52.5 thousand cubic metres. Further tanks are located on the ground, but these are to be dismantled. Total area of the base is 28 hectares.

The base was leased to "N-Terminaal," but the use of the facility is connected with major expenses, including the testing of the tanks, pumps and pipelines as well as the elimination on environmental pollution. Conservation of the base would cost $25 million, while operating would require $3 million. The local inhabitants are concerned with the plan of the company to build a fuel terminal in the Miiduranna port, fearing pollution. They require that an international experts' opinion be provided on the safety of the terminal and the base.

Minister Hansen said that the government has decided to lease the base to the company and Arvi Hamburg added that all private terminal operators will have to pay a percentage of the turnover to a central emergency and pollution control service.

Latvia

Federation Council Ratifies Withdrawal Agreements

LD1611155594 Riga Radio Riga Network in Latvian 1400 GMT 16 Nov 94

[FBIS Translated Text] The upper house of the parliament of the Russian Federation, the Russian Federation Council, today ratified the agreements between the Russian Federation and Latvia on the army withdrawal. The Russian and Latvian presidents signed the agreements in Moscow on 30 April this year.

Initially, deputies to the Federation Council voted against ratification of the stipulations, the procedure, and the timescale of the agreement on complete withdrawal of the Russian Army from Latvian territory, and against ratification of the agreement on social guarantees for Russian military pensioners and their families living in Latvia. Reproach to the effect that the discharged military personnel of the Russian Federation are discriminated against in Latvia was expressed in the course of the debates over the agreements.

Sergey Zotov, representative of the Russian Federation president and head of the delegation for talks with Latvia, managed, nevertheless, to persuade the deputies that the ratification of the agreements would improve the situation for the military pensioners in Latvia.

The final ratification of the agreements in the Latvian Saeima is expected this month.

Cabinet Approves Regulations on Privatization

WS1711083894 Tallinn BNS in English 1400 GMT 16 Nov 94

[FBIS Transcribed Text] Riga, Nov 16, BNS—The Latvian Cabinet passed regulations Tuesday [15 November] on privatization by the method of private capital attraction, which are the last regulations related to the law on state and municipal property privatization.

Under the adopted regulations, the objects of privatization are state or municipal stock companies or companies with limited responsibility. The privatization by this method is effected through increasing the registered capital of the statestock company on the expense of the attracted private capital.

The private capital invested, the legal status of the company changes from the state-run company to a privately-owned one. The private capital share should not be smaller than 25 percent of the registered capital of the respective company.

In another action, the Cabinet accepted the mechanism for leveling of local budgets providing to distribute the leveling resources proportionally to each municipality's income per one resident.

"Currently, there are 600 local governments in Latvia and from those only 20 may be regarded well-off as their yearly income per one resident is around 84 lats," said State Reform Ministry Parliamentary Secretary Janis Bunkss.

As reported, the state subsidies to the leveling fund will constitute 63 million lats next year, while the total municipal budget is planned at 200 million to 250 million lats.

In addition, the Cabinet decided to extend the payment deadline of the statestock Latvijas Gaze company's debts to the Japanese Import and Export Bank and the World Bank for four years.

The company received 28.39 million U.S. dollars for a term of one year to account with Russia for supplied natural gas.

To prevent illegal transactions with color metals, the Cabinet ruled that trade with these metals is allowed only on condition the primary source of obtention of the metals and the origin of melts and scraps is declared.

Parliament To Complete Program on 'Curbing Corruption'

WS1611124794 Tallinn BNS in English 1618 GMT 15 Nov 94

[FBIS Transcribed Text] Riga, Nov 15, BNS—The Latvian Criminal Investigation Center and the parliament State Administration and Local Governments Committee will complete a new program for curbing corruption in two months.

The program defines 10 categories of "risk subjects" of corruption, including MP's, government members, department heads, state officials and authorities, like frontier guards, customs officers, tax inspectors.

According to preliminary research, bribe-takers may be divided into two groups. The first group accepts rare but major bribes. The second group takes small bribes regularly and its "vital for them."

To avert corruption in the second group, regular checks are needed and the guilty must be duly punished, said Criminal Investigation Center Head Andris Vilks.

To curb corruption in the first group, committees and groups of experts must be allowed to participate in the decisionmaking on important issues.

The highest "corruption risk group" includes officials issuing licenses, quotas and tax waivers, as well as dealing in oil business and transit operations, Vilks said.

Lithuania

Border Talks With Russia on Kaliningrad Region Begin

WS1611105494 Tallinn BNS in English 1804 GMT 15 Nov 94

[FBIS Transcribed Text] Vilnius, Nov 15, BNS—Lithuanian and Russian negotiators will hold a two-day round of border talks in the Kaliningrad region starting Thursday [16 November], the Lithuanian Foreign Ministry said.

Negotiation teams intend to discuss a draft agreement on land borders, as well to negotiate the boundaries of territorial waters and economic zones in the Baltic Sea, it said.

Meanwhile, the Russian side says that the main issue on the agenda will be the ownership of the lake Vistytis, the Kursiu peninsula and a small area in the Baltic.

Kaliningrad administration officials earlier said that Lithuania suggests to divide Vistytis by setting the border 8 meters from the Lithuanian shore. The region's administration, which bases itself on German maps dating back to 1924, says Lithuania owned only a small bay near the town of Vistyciai at that time, while the rest of the lake used to belong to Eastern Prussia.

Kaliningrad officials said the biggest concession that Russia can make is to give up 13 hectares in the Kursiu bay near the Lithuanian seaside resort of Nida.

A high-ranking Lithuanian Foreign Ministry official, who spoke on condition of anonymity, said such hints suggest that Russia will attempt to revise earlier agreements.

Lithuanian and Russian negotiators managed to determine the land border between the two countries in a series of meetings this and last year and the fact is recorded in meeting protocols.

The official said Lithuanian negotiators have no intention to get mixed up in any "secondary matters" during the Kaliningrad meeting. Territorial waters and economic zones are the only subject, he added.

Analysts think the Lithuanian-Russian sea border is likely to be the biggest problem. Sides are deadlocked over a sea deposit of oil, code-named D-6, which, according to varying estimates, holds from 75 to 175 million tons of petroleum. The deposit is closer to the Lithuanian coast, however only Russia is working to bring it into production.

The meeting in Kaliningrad will be the first between reorganized commissions for border demarcation and delimitation. The commissions will be headed by Lithuanian Deputy Foreign Minister Rimantas Sidlauskas and Russian Ambassador Yuri Sholmov.

Danger of Russia's Military Aggression Claimed

WS1711101794 Vilnius ELTA in English 1859 GMT 16 Nov 94

[From "News Bulletin" No. 631]

[FBIS Transcribed Text] Vilnius, November 16, ELTA—On Wednesday Lithuanian Seimas member Romualdas Ozolas stated at the press conference that Russia was ready for committing an aggression, including military aggression, against Baltic states.

Ozolas said that Russia wanted a minor and honourable war after its loss in Chechnya and added this was his personal statement and had nothing to do with the Lithuanian Centrist party, as he was chairman of the party.

Seimas member Ozolas reminded the act of sabotage committed on Vilnius-Kaunas railway line and threats of blowing up the Ignalina Nuclear Power Plant. According to Ozolas, other potential acts of sabotage could be committed in the Elektrenai Thermoelectric Power Plant and Kruonis Hydro-accumulative Power Plant.

Though Ozolas did not confirmed that Russia's special services were or would be involved in committing acts of sabotage in Lithuania, he said that Russia was taking all possibilities in order to destabilize the situation in Baltic states, including Lithuania.

As to Ozolas, Russia did not give up its hope of regaining Baltic states. In case of the conflict, Russia vould be the one who started it, Ozolas stressed.

Seimas member said that Lithuania could resist the aggressor morally, but not physically. He added that in any case there would be certain resistance, because Lithuanian people understood that sovereignity of Lithuania was in their hands. According to Ozolas, Lithuania's military position is not hopeless, but, still, a lot of improvements could be done in Lithuania's defence structures.

Romualdas Ozolas welcomed the resolution on signing the agreement on military cooperation among the three Baltic states. The resolution was adopted by Baltic Assembly. This would be one of the preconditions that the events of 1939 and 1940 recur nowadays, Ozolas said.

Ozolas stressed the necessity of strengthening the control of Lithuania's eastern borders. He said that Belarus army deployed not far from the Lithuanian-Belarus border acctually was the Russian Army. Nevertheless, Ozolas thinks that in case of aggression Russian troops deployed in the Kaliningrad region would serve as the main military force.

Banking System Termed Most 'Pressing' Problem

LD1611161894

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0830 GMT on 16 November broadcasts its regular interview with Lithuanian Prime Minister Adolfas Slezevicius. He says that ensuring safe operation of the Ignalina nuclear power station will continue to remain one of our greatest priorities. The prime minister expresses his surprise at the absence of any reaction to the terrorist threat from the right-wing political parties, although these threats, according to him, aim at destabilizing the situation. He says:

"Such neutrality on the part of the right-wing politicians is somewhat surprising, bearing in mind that an event of minor significance would be immediately marked by their statements and renouncement."

The prime minister says that the shutting down of the nuclear power station will cost around $10 million to the Government, because the capacity at thermal power stations has to be increased, where power generation is much more expensive. In addition, the recent terrorist act will cost the budget about 4 million litas.

Answering a question about banking in Lithuania, the prime minister says:

"The situation within the banking system at the moment is perhaps one of the most important factors limiting a more vigorous growth of our economy. In fact, the strengthening of the banking system is one of the most pressing tasks of our economic reform."

The prime minister says that the the drop in annual interest rates indicates that this tendency is positive. He says that the interest rate for government bonds sold recently was only 14.7 percent. Adolfas Slezevicius says that this is unheard of in Lithuania. A year ago we had an annual interest rate of 170 percent, sometimes even 200 percent.

The prime minister concludes by saying that he believes that by the end of the year, the annual interest rate will be up to 30 percent.

Officials Say No Bombs Found at Nuclear Plant

WS1611115094 Tallinn BNS in English 1618 GMT 15 Nov 94

[FBIS Transcribed Text] Vilnius, Nov 15, BNS—No signs of sabotage have been detected in the first reactor unit of the Ignalina nuclear power plant during an examination carried out by Swedish and Lithuanian experts, officials said Tuesday [15 November].

A search for indications that the plant may face a terrorist attack were started in the second reactor unit Tuesday. Both reactors were shut down Monday to facilitate the work of anti-terrorism experts.

Povilas Vaisnys, head of the Lithuanian State Atomic Safety Inspectorate, said he was certain that no explosives would be found in the first reactor. In his words, the probability of a terrorist act has now decreased even more.

Vaisnys explained that the search was started with the first reactor because it was recently shut down for repairs and the possibility of something going wrong with it was potentially bigger than in the second reactor unit.

The first reactor was put on line last Friday after week-long repairs and was again stopped on Monday.

Besides, Vaisnys added, the first reactor was built earlier and "always causes more doubt."

The official said the second reactor is likely to be examined faster because experts already gained experience during their work in the first reactor unit. Examination of the first reactor lasted from Sunday evening until Tuesday morning.

Ignalina Director Viktor Shevaldin said the first reactor will be connected to the country's energy system no earlier than next Monday. It not yet known when will the second reactor be put on line, however it is probable that it may be started up earlier than the first one.

The last time Ignalina was completely shut down was in late August, when both reactors were stopped for maintenance repairs. Ignalina is Lithuania's main electricity producer, however its shutdown has not resulted in energy shortage. The government's spokesman said Lithuania received electricity from Russia Tuesday night and now imports it from Estonia. Restrictions on the use of energy were avoided by increasing the output of Lithuanian thermal electric power stations.

Work at Ignalina Nuclear Plant To Resume

WS1711104994 Tallinn BNS in English 1940 GMT 16 Nov 94

[FBIS Transcribed Text] Vilnius, Nov 16, BNS—The Ignalina nuclear power plant, the main electricity producer in Lithuania, will be connected to the country's energy system early on Thursday [16 November], plant officials said.

Genadi Negrivoda, Ignalina's chief engineer, told BNS that the second reactor will be started up at a minimum output and will be connected to the energy system at night. Negrivoda said the reactor will operate at an output of 750 megawatts by Thursday morning. The output should be increased to 1,300 megawatts by the end of the day, he said.

Ignalina has two reactors, which were both shut down Monday following warnings that the plant may face a terrorist attack. No signs of threat were noticed during a 48-hour examination carried out by Swedish and Lithuanian experts.

The plant's first reactor will presumably be put on line next week.

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